T O U R I S M

Fishing Lodges and Resorts in British Columbia

Marketing and Development Initiatives

Final Report

ECONOMIC & REGIONAL DEVELOPMENT AGREEMENT

Canada

BC

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FISHING LODGES AND RESORTS IN BRITISH COLUMBIA

MARKETING AND DEVELOPMENT INITIATIVES

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The responsibility for the content of this report is the consultant's alone, and the conclusions reached herein, do not necessarily reflect the opinions of those who assisted during the course of this investigation or the federal and provincial governments which funded the study.

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Province of British Columbia
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Province of British Columbia
Ministry of Tourism and Provincial Secretary

FISHING LODGES AND RESORTS IN BRITISH COLUMBIA MARKETING AND DEVELOPMENT INITIATIVES

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.0 INTRODUCTION

.1 Background

Sport fishing has been identified as a product area which offers potentially significant returns to British Columbia's economy through non-resident tourism expenditures as well as through a higher level of in-province vacation days spent by British Columbia residents. Fresh and saltwater sport fishing provide significant benefits to the British Columbia economy. In 1985, freshwater sport fishing had a net economic value of $88 million and generated economic activity worth nearly $300 million. Saltwater sport fishing provided comparable contributions of $77 million and $350 million[1]. Angling also offers important lifestyle benefits to British Columbia residents and is an important attribute to the province's quality of life.

The need for developing and promoting Canada's sport fishery was identified at the 1985 Conference of First Ministers. In 1986, federal, provincial and territorial Fisheries Ministers agreed to a national statement to promote tourism in areas capable of sustaining increased angling activity. However, the tourism potential of British Columbia's sport fishing product has never been fully assessed and therefore the sound economic and market information base needed to derive an appropriate product and market development strategy has not been developed. On that basis, the Ministry of Tourism Recreation and Culture under the Tourist Industry Development Subsidiary Agreement has contracted a study of the sport fishing lodge/resort product area to determine appropriate product development and marketing initiatives.

The study is also of considerable interest to the Ministry of Environment and Parks who have indicated that one of their key concerns is the relationship between the increase in sport fishing activity and the finite resource base. The two

Departments have collaborated on defining the mandate for this study and the review of study outputs.

1.2 Study Objectives and Scope

The objective of this study is to provide an analysis of the tourism potential of the lodge/resort industry segment of the sport fishing area and to develop recommendations regarding marketing and development initiatives. Based on the study terms of reference and our meetings with the client group, the study provides the following:

- Product/resource inventory,
- Characterization of the British Columbia tourism regions
- Marketing profiles of current and potential users
- Constraints and the initiatives needed to remove those constraints
- Economic impacts on a regional basis
- Competition analysis
- Characterization of successful operations
- Product development proposals for industry
- Marketing initiatives
- Initiatives needed to support industry development and reduce resource use conflicts

The major focus is on industry potential at the provincial level. Marketing and developmental initiatives which result from regional variations are also addressed.

1.3 Study Methods

The Study Team first conducted an extensive review of the existing data sets. Primary data collection was then geared to filling key data gaps. As anticipated at the outset, the major data gaps related to product, market and competition data specific to the fishing lodges/resort industry. Several surveys (discussed below) were used to fill these data gaps.

The analysis involved assembling and comparing the evidence from a wide range of data sources, in order to prepare findings, conclusions and recommendations. In integrating findings and developing conclusions, particular emphasis was placed on:

- Matching the British Columbia product to market opportunities
- Key constraints and the initiatives needed to reduce the barriers to development
- British Columbia's competitors and how this competition can be addressed
- Preparing practical and action-oriented recommendations for industry and government
- Formulating a strategy for industry consultations and consensus building.

A large number of data collection methods were used to assemble data on the product and markets of the British Columbia sport fishing lodge/resort industry. These methods are summarized below and the questionnaires and interview guides used for data collection are provided in Appendix A.

Survey of Fishing Lodge/Resort Operators

A telephone interview technique was used to gather data from sport fishing operators on the nature of their product, operational characteristics, markets, marketing strategies, financial performance, and their perceptions of opportunities, problems and constraints associated with their operations. A questionnaire was mailed to each operator in advance of the telephone interview to give respondents an opportunity to review data requirements prior to the interview.

The study team surveyed the complete universe of fishing lodge/resort operators based on a listing compiled from the following sources:

- Regional Tourism Association offices
- Interviews with industry participants
- Reviews of "Accommodations, 1988"; "Saltwater Fishing Adventures"; "How to do Fishing Adventures, 1987"
- Interviews with Ministry of Tourism, Recreation and Culture representatives.

The mandate for this study was restricted to fixed roof accommodation camps, lodges and resorts offering sport fishing products. A universe of operations, based on the criterion for fixed roof accommodation was identified. Of these, about 20% were saltwater sport fishing operations and 80% offered freshwater sport fishing products.

The survey sample was distributed as follows:

	Universe	Sample	% Sampled
Freshwater	206	99	48
Saltwater	51	36	71
Total	257	135	53

Because the saltwater operations are smaller in number and more diverse in terms of size and product profile, coverage for the saltwater operations needed to be higher than for the freshwater facilities. The saltwater coverage is viewed as very high. Our analysis of the freshwater sample (50%) is representative of the lodges and resorts in the freshwater sub-industry.

User Survey

Each operator interviewed was asked to supply a list of ten clients who visited their lodge/resort in 1987. This listing was used as a basis for conducting a representative telephone survey of about 92 users of these sport fishing products. Reasonable representation for freshwater user origins, type of operation, and the region in which the lodge was located was achieved. Comparatively fewer saltwater operators provided the names and telephone numbers of their previous

guests. A survey of corporate users was also undertaken, using a sample supplied by selected industry participants.

Potential Users

Possible definitions of potential users were explored during the study, including:

- people who had made enquiries and contacted sport fishing lodge/resorts but who had not yet visited the contacted lodge/resorts
- British Columbia sport fishing license holders (e.g., sport fishermen who participated in the 1985 British Columbia Sport Fishing Survey)
- listings from the Regional Tourist Associations of people who asked about sport fishing opportunities in British Columbia

The consensus was that the usefulness of these definitions and of a potential users survey was questionable. The Study Team concluded that respondents to the Visitors '87 survey[2] who indicated a very strong interest in purchasing a fishing charter in a future British Columbia vacation provided a good proxy indicator of potential users of fishing lodges/resorts. This data source was therefore used to assess the market profiles of potential users and for product/market matching.

Survey of Travel Influencers

Travel influencers, that is, wholesalers of sport fishing packages, were interviewed to identify their perception of the British Columbia product, its market potential, and issues related to future growth. A list of travel influencers was compiled from MacLaren Plansearch in-house data records. This was subsequently reviewed with industry informants and Ministry of Tourism, Recreation and Culture to ensure that all relevant wholesalers were included in this sample. Of about 50 travel influencers in North America

interviewed, about 25% are currently selling packages to British Columbia, mainly for saltwater operations.

Key Informant Interviews

The study team assembled sport fishing sector data from a number of government and industry sources including:

- Ministry of Tourism, Recreation and Culture
- Ministry of Environment and Parks
- Media representatives
- The private sector
- Competing jurisdictions.

Interviews with these informants provided data on current marketing activity, resource issues, and product development relative to the sport fishing product. In addition, media kits were collected from major industry magazine publishers for use in the market analysis.

Competition Analysis

The Study Team conducted the competition analysis through:

i) interviews with British Columbia government marketing officials and industry representatives

ii) interviews with selected government and industry representatives in the following jurisdictions which are noted most often as British Columbia competitors (Washington, Oregon, Alaska, Alberta, Manitoba and Ontario)

iii) interviews with media representatives

iv) review of in-house data on other potential competitors, including the NWT, Yukon and Saskatchewan

v) integrating this evidence with other data sets to assess British Columbia's market position relative to our current and potential competitors and to identify market niches which can be captured by the British Columbia product.

FOOTNOTES -- CHAPTER ONE

1 Department of Fisheries and Oceans, 1988, Tidal Sport Fishing in British Columbia, 1985.
Department of Fisheries and Oceans, 1988, Freshwater Sport Fishing in British Columbia, 1985
Note: These publications are hereafter referred to as the Federal Sports Fishing Surveys in the text of this report.

1985 Department of Fisheries and Oceans Sport Fishing Surveys in British Columbia

2 Visitors '87 was a survey of out-of-province visitors to British Columbia during the June - October 1987 travel season. Its purpose was to obtain visitor profiles by market area, trip characteristics, and estimates of tourist expenditures. The survey was conducted for the Ministry of Tourism, Recreation and Culture by B.C. Research.

SPORT FISHING CONTEXT

The services offered by the sport fishing industry are diverse, involving lodges/resorts, guides, outfitters, suppliers of equipment and travel wholesalers among others. The focus of this study is on only one component -- the sport fishing lodge/resort.

To set a context for discussion of this segment, a profile of sport fishing activity is first provided in this section[1]. The section concludes with a comprehensive definition of the sport fishing lodge/resort and the product classification scheme used in the study.

Profile of Overall Sport Fishing Activity

British Columbia is recognized throughout North America and Europe as a world class fishing destination. Anglers are attracted to the province's excellent freshwater and saltwater fishing resources and the beauty of its wilderness areas. Both the Ministry of Environment and Parks and the Department of Fisheries and Oceans have monitored the sport fishing effort in British Columbia. From their research, it is clear that the British Columbia sport fishing industry is experiencing strong growth at the present time.

In order to establish a context for considering the lodge/resort industry segment, an overview of all sport fishing activity in British Columbia is provided below.

2.1.1 Freshwater Sport Fishing Industry in British Columbia

In 1985 360,143 adult anglers bought freshwater licenses. Of these 79% were residents , 11% non-resident Canadians and 10% non-resident aliens (non-Canadians). The regional distribution of all non-resident anglers who held freshwater licenses is listed in Exhibit 2.1. Alberta and the Pacific

U.S. account for the majority of visiting freshwater anglers to British Columbia. Seventy-nine percent (79%) of the resident anglers and 83% of the non-resident anglers were male. The average age of angler did not vary by origin and for all anglers, was 43 years.

EXHIBIT 2.1: REGIONAL DISTRIBUTION OF NON-RESIDENT FRESHWATER ANGLERS, 1985

Non-Resident Canadian 11% of Total Anglers		Non-Resident Alien 10% of Total Anglers	
		United States	
Alberta	85%	Pacific	82%
Saskatchewan	6%	Mountain	7%
Ontario	6%	W.N. Central	1%
Manitoba	1%	W.S. Central	1%
Quebec	1%	E.N. Central	3%
Remaining	1%	S. Atlantic	1%
		W.S. Central	1%
		Non U.S.	3%

Source: Fisheries and Oceans, 1988. Freshwater Sport Fishing in British Columbia

The freshwater angler in British Columbia has a wide variety of species for which to fish; trout, char and salmon. Rainbow trout is the preferred species by all anglers. Other trout (cutthroat), kokanee and other salmon are the other favorites. Non-resident anglers spent on average, fewer days fishing in British Columbia than resident anglers (6.6 days versus 17.6 days). Fewer non-resident freshwater anglers purchased tidal water licenses (Exhibit 2.2). It is also interesting to note that the majority of the freshwater anglers in British Columbia fished in lakes. The non-resident, non-Canadian angler in particular displays a strong preference for lake fishing (Exhibit 2.2).

EXHIBIT 2.2: CHARACTERISTICS OF BRITISH COLUMBIA'S FRESHWATER ANGLERS

	% of Total Anglers Who Purchased Tidal License
Resident	34
Canadian	17
Alien	13

	Fish in Rivers and Streams (%)	Lakes (%)
Resident	30	70
Canadian Non-Resident	29	71
Alien	13	87

	Important to Catch Fish (%)	Size of Fish Important (%)
Resident	49	55
Canadian Non-Resident	55	54
Alien	70	72

Source: Fisheries and Oceans, 1988. Freshwater Sport Fishing in British Columbia, 1985

In 1985 a total of 712,318 nights were spent on fishing trips by non-resident freshwater anglers. Of these nights, 12.7% or 90,464 nights were spent at fishing lodges and camps. An additional 9.1% or 64,100 nights were spent at commercial accommodation facilities. On average non-resident anglers made three trips (45% were primarily for fishing) to British Columbia freshwater locations, of which they fished during two of these trips. The importance of catching a fish and the size of fish is greater for non-Canadian anglers than for the other two groups (Exhibit 2.2).

The amounts and distributions of expenditures attributable to freshwater fishing differed between resident and non-resident anglers. In 1985 non-resident anglers spent $31.5 million; 46% was spent on food and lodging and 16% on packages. Resident anglers spent $117.6 million of which 42% was spent on food and lodging and 1.1% on packages.

Turning to the longer term trends, freshwater sport fishing activities in British Columbia, based on license sales have decreased since 1980. It is believed that the 17% decrease in sales was caused by two factors; the recessionary economy, and a doubling of all license fees in 1982. Non-resident license sales decreased 29% during this five year period. Direct expenditures increased 50% from 1980-85 for all freshwater licensed anglers. In 1985 it is estimated that freshwater anglers spent $469.2 million, of which $303.6 million can be directly attributed to freshwater sport fishing in British Columbia.

2.1.2 Saltwater Sport Fishing Industry in British Columbia

In 1985 a total of 332,888 tidal licenses were sold. Of these, 72% were residents, 8% non-resident Canadians, 20% U.S. residents and 1% overseas residents (Exhibit 2.3). Alberta and Ontario were the primary non-resident Canadian markets and Washington and California were the primary U.S. markets. According to the 1985 survey the saltwater angler was predominantly male (79%) and the average age was 45 years.

EXHIBIT 2.3: REGIONAL DISTRIBUTION OF NON-RESIDENT SALTWATER ANGLERS, 1985

Non-Resident Canada 8% of total anglers		Non-Resident Alien 20% of total anglers	
Alberta	67%	Washington	47%
Saskatchewan	6%	Oregon	8%
Manitoba	5%	California	19%
Ontario	17%	Mid States	22%
Rest of Canada	5%	East Coast	3%
		Overseas	1%

Source: Fisheries and Oceans, 1988. Tidal Sport fishing in British Columbia, 1985

Salmon accounted for the most widely caught species. Sixty-five percent (65%) of the fish caught by non-resident anglers were salmon which is a higher proportion than 51% for resident anglers. In addition to salmon, other species caught were rockfish, ling cod, herring, halibut, dogfish and other miscellaneous species. The non-resident saltwater angler has a stronger preference for salmon, particularly chinook salmon, than the resident anglers (Exhibit 2.4). There is a marked difference as to where the resident and non-resident angler prefer to fish in British Columbia (Exhibit 2.5). For the non-resident angler, the Campbell River area was the most popular fishing destination followed by the Tofino/Barkley Sound area, Victoria and northern Vancouver Island. For the resident angler, the Strait of Georgia, south of Comox to Victoria, was the most popular area. On average, resident anglers fished 13 days while non-resident anglers fished five days. The majority (56%) of non-resident anglers came to British Columbia primarily to fish. Thirty-one percent (31%) combined fishing with other trip purposes such as general recreation, visiting friends and relatives and business. Thirteen percent (13%) of the total non-resident anglers decided to go saltwater fishing upon arrival into the province. The two most important factors to ensure a successful fishing trip were scenic surroundings and the opportunity to catch fish. In terms of awareness regarding British Columbia's sport fishing opportunities, 67% of non-resident anglers found out about tidal sport fishing from friends or relatives, 7% from magazine advertising, 5% from local advertising, 2% from travel agents and 1% from miscellaneous sources.

EXHIBIT 2.4: SPECIES PREFERENCE OF SALTWATER ANGLERS, 1985

Species	Resident (%)	Non-Resident (%)	All Anglers (%)
Chinook Salmon	29.8	32.9	30.6
Coho Salmon	28.2	27.0	27.9
Other Salmon	16.3	20.1	17.4
Ling Cod	9.6	6.8	8.8
Cod	5.5	1.5	4.4
Halibut	3.6	6.3	4.3
Rockfish	2.9	1.8	2.6
Other Species	4.1	3.6	4.0
Total	100.0	100.0	100.0

Source: Fisheries and Oceans, 1988. Tidal Sport Fishing in British Columbia, 1985.

EXHIBIT 2.5: GEOGRAPHIC DISTRIBUTION OF SALTWATER FISHING EFFORT, 1985

Fisheries Statistical Area	Resident (%)	Non-Resident (%)
North Central Coast	3	9
Northern Vancouver Island (12)	5	9
Campbell River (13)	7	37
Comox-Nanaimo (14,17)	25	16
Sunshine Coast (15,16,28)	22	7
Vancouver (29)	6	2
Victoria-Sooke (18,19,20)	23	10
West Coast Vancouver Island	8	12

Source: James M.D., 1986. The Visitors Sport Fishing Survey 1985, Fisheries and Oceans.

In 1985 a total of 925,412 nights were spent on saltwater fishing trips (approximately 34% more than freshwater) by non-resident anglers. Of these nights, 12% were spent at fishing lodges or camps and 16% were spent at commercial accommodation. Eighty-nine percent (89%) of fishing trips to the province by non-resident anglers lasted more than one day. The average trip length for all non-resident anglers was nine nights.

The amounts and distributions of expenditures attributed to saltwater fishing differed between resident and non-resident anglers. In 1985 non-resident saltwater anglers spent $73.1 million; 30% on food and lodging, 35% on packages and 24% on transportation. The resident saltwater angler spent their $164.4 million primarily on transportation (65%) and only spent 22% on food and lodgings and 4% on packages.

The number of tidal water anglers fishing in British Columbia has increased over the past three years. From the 1984/1985 licence year to 1986/1987 licence year the number of resident anglers has increased by 8% or 17,000 anglers. The number of non-resident anglers increased by 28% to 23,000 anglers.

2.2 Definition of Fishing Lodge/Resort Industry

The industry, for purposes of this study, refers to recreational fresh/saltwater fishing lodges and resorts. The fishing lodge/resort industry was defined to include:

- facilities with fixed and permanent accommodation
- larger boats which provide overnight accommodation for a minimum number of visitors and use that overnight accommodation on a regular basis -- essentially as floating camps or resorts
- operators who are sufficiently well established to be in business at least one or two years
- facilities whose primary purpose and major source of income is sport fishing.

Accordingly, the industry was defined to encompass any lodge/resort in the sample in which at least 40% of the resort's business is based on sport fishing. It is important to note that the industry as defined here does not include independent anglers or sport fishing guides and outfitters.

2.3 Product Classification

Our initial analysis suggested the industry could be divided in a number of ways: fresh and salt water; interior and coastal; full service and partial service; river and lake (within freshwater); pre-booked packages versus more casual visitors. After evaluating the survey results with the client, the Study Team developed a three-part classification system:

- **Saltwater/Freshwater**; 36 of the 135 facilities in the sample are defined as saltwater and 99 are defined as freshwater. Location played a major role in determining the type of operation. For example, if the operation is inland, it was defined as freshwater, even if guests mainly fish for salmon. Therefore, saltwater is generally linked with coastal and freshwater with inland.

- **Single Product/Multi-Product**; 89 of the operations are dependent on sport fishing for 90% or more of their business; the remaining 46 operators provide multi-recreational products as defined for this analysis.

- **Size of operation**; It was concluded that $100,000 represents a reasonable cut-off point to the extent that for operations of this scale the facility probably represents the only or significant source of income for the owner. For smaller operations, the facility typically represents a hobby and/or income supplement. One hundred and thirty-one (131) of the 135 operators provided gross revenue data or provided sufficient information to allow the Study Team to prepare revenue estimates; 52 of 131 operations (40%) have gross revenues (including sport fishing and from other sources) of greater than $100,000 and 79 have gross revenues of less than $100,000.

The operators survey results revealed important differences

between salt and freshwater operators when they are compared against the other two parameters used for classification. Twenty-eight (28) of 36 saltwater operations (78%) are single product[2] compared to 61 of 99 operations (67%) for freshwater; 30 of the 34 saltwater facilities who provided revenue data, had gross revenues of better than $100,000; only 22 of 97 freshwater operations were over $100,000. Saltwater facilities therefore on average are much larger than freshwater operations and tend to concentrate more on sport fishing activities. Freshwater operations are smaller and sell a wider range of product offerings to their clients. We will return to these themes later in the chapter.

Thirty-eight (38) of 86 operations which are single product facilities and provided revenue data had gross revenues of more than $100,000. For multi-product facilities as defined for this analysis, only 14 of 45 who reported revenues were above $100,000 in terms of 1987 gross revenues. In short, single product operations tend on average to be larger.

Other variables not included in the classification system are important to the analysis. The effects of other variables, e.g., region, package or drop in, resident/non-resident, length of stay, etc. are assessed in their appropriate sections through analysis of answers to specific questions in the operators survey.

FOOTNOTES -- CHAPTER TWO

1 The profile is compiled from:

- Sport Fishing in British Columbia Tidal Waters, 1985, Department of Fisheries and Oceans, 1988

- Freshwater Sport Fishing in British Columbia, 1985, Department of Fisheries and Oceans, 1988

2 Single product facilities are defined as those where 90% or more of the operations' business is from sport fishing.

0 THE PRODUCT

The British Columbia fishing lodge/resort industry provides a diverse set of products to a variety of user groups. In a broad sense, the fishing lodge/resort industry markets "opportunity and expectations". More tangible industry products, (i.e., the goods and services being sold to the consumer), include: the sport fishing experience, guiding services, British Columbia's beautiful scenery, accommodation and dining facilities, and other indoor and outdoor amenities provided on the property. The purpose of this chapter is to profile the products provided by the industry and to identify product variations between different types and sizes of facilities.

Due to the importance of the saltwater and freshwater classification, most exhibits separate saltwater and freshwater operations and some of the key differences are noted in the text. However, detailed analysis of the major differences between the two, and their implications for product development, are left to later sub-sections. The percentage distributions used in the following analysis are based on unweighted averages, indicating that all operations in the sample have been given the same weight, regardless of revenue size or clientele. If weighted averages were used, the numbers would be dominated by a comparatively few larger facilities.

1 Geographical Distribution

Exhibit 3.1 distributes the 135 sample facilities by British Columbia Tourism Region and facility type.

EXHIBIT 3.1: DISTRIBUTION BY REGION AND FACILITY TYPE

	Freshwater		Saltwater		Total	
	No.	%	No.	%	No.	%
Vancouver Island	-	-	27	75.0	27	20.0
Southwestern B.C.	-	-	2	5.5	2	1.5
Okanagan-Similkameen	7	7.1	-	-	7	5.2
Kootenay Country	-	-	-	-	-	-
High Country	36	36.4	-	-	36	26.7
Cariboo	37	37.4	3	8.3	40	29.7
North by Northwest	18	18.2	4	11.1	22	16.3
Peace River, Alaska Highway	1	1.0	-	-	1	0.7
Rocky Mountain	-	-	-	-	-	-
Total	**99**	**100.0**	**36**	**100.0**	**135**	**100.0**

Source: 1988 Operators Survey

The sample facilities are fairly widely distributed throughout the province, as all regions except the Kootenays and Rocky Mountain are represented in the sample[1]. (The universe included only two freshwater Kootenay operations and three freshwater Rocky Mountain operations). The industry offers a wide variety of geographic and topographic settings to the fisherman. At the same time, 56% of the sample facilities are located in two Interior regions, High Country and the Cariboo. The regional distributions of the sample saltwater and freshwater facilities are consistent with actual geographic location. Seventy-five (75%) percent of the saltwater facilities are on Vancouver Island and 74% of the freshwater facilities are in the two Interior regions described earlier.

3.2 Facility Characteristics

Operators were asked a series of questions on the characteristics of their company and facilities. The major findings are listed below.

. Operations are well established (and capital plant is quite old); 61 of the 135 facilities (45%) have been in

operation for over 20 years, and only 18 have been established in the last five years.

. Nearly 30% of the 135 facilities have been under the current management for over 10 years; 40% have been under their present management for five years or less.

. 53% are on deeded land and 32% (45 operations) are on Crown land. Only two operations have a license of occupation as found in a provincial park.

. Only 18 of the 135 sample facilities operate year round (17 of the 18 are freshwater); 60% of the remainder open in May and the majority, 54%, close in October. The most frequent operating periods are May to October (49 properties), June to September (22 properties) and May to September (13 properties).

Accordingly, the typical sport fishing lodge in British Columbia is a well-established seasonal facility operated on private property. As will be discussed below, these characteristics are particularly relevant to freshwater operations.

.3 The Product

Accommodation

The 135 operators indicated they provided various types of accommodation facilities to their guests (multiple responses were allowed). These figures, which represent potential capacity, are provided in Exhibit 3.2.

The sample operations are able to accommodate up to 11,200 guests at one time (135 operations times 83 beds per operation). The average freshwater operation can accommodate more guests than the typical saltwater operation, the result of the larger number of trailer sites in the former. The

sample freshwater facilities can handle on average a maximum of 94 guests at one time compared to 52 guests for saltwater operations. The difference, however, mainly results from the larger number of trailer sites in the freshwater properties, which account for 72% of potential guest capacity in the freshwater properties compared to 26% in the saltwater properties.

To the extent that the sample reflects the total industry, the British Columbia fishing lodge/resort industry can accommodate about 22,000 guests at one time. Sixty-six percent (66%) of the guests can be accommodated in trailers and the remaining 34% can be accommodated in the various forms of fixed roof accommodation presented in Exhibit 3.2.

Facilities, Services and Activities

First and foremost, the sample operations are sport fishing facilities, as indicated in Exhibit 3.3 by the high number of facilities offering fishing related services.

Between 91 and 117 operations provide boat rentals, smokehouse facilities, fishing tackle, fish licenses, and fish freezing facilities. In contrast, only 67 have a restaurant and dining room, only 44 have a lounge, 40 have a marina and 76 provide a private bath. Very few offer up-scale amenities. Only seven of the operations have a swimming pool, 13 have a sauna and five offer tennis.

EXHIBIT 3.2: ACCOMMODATION PROVIDED BY THE SAMPLE OPERATIONS

	ALL OPERATIONS			SALTWATER			FRESHWATER		
	No. of Operations	Average No. of Rooms	Average No. of Beds	No. of Operations	Average No. of Rooms	Average No. of Beds	No. of Operations	Average No. of Rooms	Average No. of Beds
SEASONAL									
Lodge	40	11	26	24	15	31	16	7	18
Cabins (Detached)	90	9	21	15	12	24	75	8	21
Trailer Accommodation	51	27[1]	108[3]	3	41[1]	164[3]	48	26[1]	104[3]
Boat Accommodation	17	-	27	7	-	40	10	-	18
Total: Seasonal	117	26[2]	76[4]	36	23[2]	52[4]	81	28[2]	87[4]
YEAR ROUND									
Lodge	6	13	26	-	-	-	6	13	
Cabins (Detached)	14	10	29	-	-	-	14	10	29
Trailer Accommodation	15	28[1]	112[3]	-	-	-	15	28[1]	112[3]
Boat Accommodation	2	-	13	-	-	-	2	-	13
Total: Year-Round	18	40[2]	126[4]				18	40[2]	126[4]
Total: Seasonal and Year-Round	135	28[2]	83[4]	36	23[2]	52[4]	99	30[2]	94[4]

1 Sites
2 Number of units per facility excluding the boat accommodation
3 Average of four beds per trailer
4 Average number of people who can be accommodated at each facility

Source: 1988 Operators Survey

EXHIBIT 3.3: FACILITIES AND SERVICES OFFERED BY THE SAMPLE OPERATIONS

	Number of Operations Offering:		
	Saltwater	Freshwater	Total
Lounge	28	16	44
Restaurant/Dining Room	29	38	67
Swimming Pool	4	3	7
Hot Tub/Jacuzzi	16	6	22
Sauna	6	7	13
Airstrip	7	18	25
Boat Rentals	12	83	95
Marina	8	32	40
Full Service Hookups	3	37	40
Private Bath	24	52	76
Shared Baths	16	72	88
Tennis Courts	1	4	5
Smokehouse	15	76	91
Laundromat	14	39	53
Boat Launching Ramps	5	69	74
Convenience Store	9	62	71
Fishing Tackle	27	87	114
Fishing License	34	78	112
Freezing Fish	32	85	117
Other Services	10	22	32
Total Number of Operations	**35**	**99**	**135**

Source: 1988 Operators Survey

However, the operations offer a fairly wide range of outdoor recreation activities, distributed as shown in Exhibit 3.4.

EXHIBIT 3.4: ACTIVITIES AVAILABLE TO GUESTS

	Number of Operations Offering:		
	Saltwater	Freshwater	Total
Lake Fishing	13	97	110
River Fishing	15	48	63
Stream Fishing	15	50	65
Ocean Fishing	34	6	40
Canoeing/Kayaking	9	67	76
Sailing/Windsurfing	6	41	47
Scuba Diving	17	27	44
Hiking	19	94	113
Wilderness/Outpost Excursions	15	44	59
Hunting	5	71	76
Golf	7	18	25
Tennis	4	10	14
Trail Riding	1	42	43
Swimming	13	76	89
Nature Observation/ Photography	25	89	114
Fishing School	11	25	36
Downhill Skiing	-	5	5
Cross Country Skiing	1	28	29
Snowmobiling	1	26	27
Ice Fishing	2	26	28
Total Number of Operations	36	99	135

Source: 1988 Operators Survey

Even facilities which largely sell sport fishing generally offer other forms of outdoor recreation.

The fish species caught by guests are distributed as shown in Exhibit 3.5 by type of species and operation.

EXHIBIT 3.5: SPECIES CAUGHT BY GUESTS

Ocean	Number of Operations		
	Saltwater	Freshwater	Total
Spring/Chinook Salmon	36	7	43
Coho Salmon	36	8	44
Ling Cod	32	9	41
Rock Fish	27	2	29
Halibut	20	2	22
Other Ocean	10	6	16
Fresh			
Lake Trout	5	39	44
Steelhead	12	14	26
Rainbow Trout	7	94	101
Kokanee	-	34	34
Cutthroat	8	10	18
Whitefish	-	16	16
Dolly Varden	4	30	34
Total Operations	36	99	135

Source: 1988 Operators Survey

Among saltwater operations, chinook and coho are caught by guests at every operation. Rainbow trout, lake trout, kokanee and Dolly Varden are the most popular species among guests at freshwater properties. Some operations are able to provide both ocean and freshwater fishing, the result of river fishing for salmon and/or locations which allow both coastal and inland fishing.

Operators were asked whether sport fishing in their area has increased or decreased over the past half decade. For saltwater operations, 28 of 38 operators indicated an increase in activity, indicative of growing pressure on salmon stocks. In contrast, only 44 of 95 freshwater operators reported an increase in activity and 30 reported a

decline over the last five years. This is consistent with freshwater license sales which have declined markedly over the past half decade in response to slow economic growth and increased fees.

For both facility types combined, 72 of 130 reported an increase in sport fishing activity, 32 reported a decrease and 26 reported that angling activity over the past five years had remained the same. Twenty-eight of 35 saltwater operators reported an increase in activity and 44 of 95 freshwater operators stated that sport fishing activity in their area had expanded over the past five years. These findings therefore are consistent with other evidence that saltwater stocks are under greater pressure from casual anglers and other fishing activities than are freshwater stocks. As discussed later, the major physical constraint faced by freshwater operations is low water levels. The responses by region are consistent with the results by types of facility. Twenty-two of 26 operators on Vancouver Island reported an increase in sport fishing activity over the past five years. In contrast, when High Country and the Cariboo are combined, only 29 of 73 operators reported increases in sport fishing activity over the past half decade, 26 reported a decrease, and 18 reported the level of activity has remained about the same.

To summarize, the typical fishing lodge does not provide many indoor amenities but does provide a wide range of outdoor activities in addition to sport fishing. Close to one-quarter of the properties also provide winter activities. Saltwater facilities provide more up-scale amenities than freshwater facilities. There are, however, few significant differences between saltwater and freshwater in terms of the range of outdoor activities offered on the properties, except for activities related to location (inland or coastal). The only major exceptions are that relatively more of the saltwater facilities offer the more up-scale activities such

as scuba diving and more freshwater operators are open year-round and therefore can provide winter recreation.

Availability of Packages

One hundred and twenty-two (122) of the 135 facilities provided information on whether they offer packages. It is likely that the other 13 operations do not provide them. Forty-eight of the 122 indicated they offer only packages, 47 provide no packages (individual services only) and 27 of the 122 operations offer both packages and individual services. The survey showed great variation between saltwater and freshwater. Twenty-five of 36 saltwater operations offer only packages compared to 23 of the 86 freshwater facilities which responded to this question; 44% of the freshwater operations offer only individual services (no packages).

Operational Characteristics

The major operating characteristics of the lodges and resorts covered in our sample are described below, generally divided between saltwater and freshwater operations. The information is presented here for illustrative purposes and then used in Chapter 8.0 to analyze the economic contribution and impacts of the British Columbia sport fishing lodge/resort industry.

Exhibit 3.6 distributes gross sport fishing revenues and gross revenues by size class, type of operation and product type.

The larger facilities tend to be single product facilities providing a saltwater product. Smaller facilities with sport fishing revenues below $50,000 are nearly all freshwater and some of them appear to provide -- or are attempting to sell -- other products/activities in addition to sport fishing.

EXHIBIT 3.6: GROSS REVENUES OF SAMPLE OPERATIONS

	Gross Sport Fishing Revenues			Gross Revenues (All Sources)		
	Salt	Fresh	Total	Salt	Fresh	Total
Less than $25,000	2	32	34	2	31	33
$25 - $50,000	-	26	26	0	24	24
$51 - $100,000	2	18	20	2	20	22
$101 - $500,000	13	14	27	12	20	32
$501 - $1 million	8	1	9	9	1	10
Over $1 million	9	1	10	9	1	10
Total	34	92	126	34	97	131
Average ($000)	898.1	94.0	310.7	966.7	102.5	325.3

	Gross Sport Fishing Revenues			Gross Revenues (All Sources)		
	Multi*	Single	Total	Multi*	Single	Total
Less than $25,000	16	18	34	15	18	33
$25 - $50,000	9	17	26	7	17	24
$51 - $100,000	9	11	20	9	13	22
$101 - $500,000	6	21	27	11	21	32
$501 - $1 million	1	8	9	2	8	10
Over $1 million	1	9	10	1	9	10
Total	42	84	126	45	86	131
Average ($000)	153.1	389.5	310.7	179.5	401.4	325.3

* Less than 90% of the operator's business is dependent on sport fishing.

N.B. Because some respondents provided gross revenues but not sport fishing revenues, the two sets of revenue figures are based on different samples and therefore are not fully consistent.

Source: 1988 Operators Survey

Exhibit 3.7 presents occupancy rates by month and by type of operation.

EXHIBIT 3.7: OCCUPANCY RATES BY MONTH

	TOTAL		FRESHWATER		SALTWATER	
	No. of Operations* Open	Average Occupancy Rate (%)	No. of Operations Open	Average Occupancy Rate (%)	No. of Operations Open	Average Occupancy Rate (%)
January	18	25	18	25	-	-
February	14	21	14	21	-	-
March	17	23	15	20	2	50
April	22	26	17	19	5	49
May	90	37	71	31	19	58
June	123	55	91	52	32	67
July	124	68	92	63	32	82
August	126	68	94	62	32	86
September	121	54	91	47	30	74
October	72	35	62	33	10	48
November	19	23	18	21	1	50
December	17	24	17	24	-	-

* Out of 128. Seven operators did not report their occupancy rates.

Source: 1988 Operators Survey

Among the sample operators, no more than 126 were open in any one month and even in the peak months occupancy rates among operating facilities averaged no more than 68%. In the shoulder and off-season, occupancy rates among the relatively few facilities which are open averaged less than 30%.

Employment at reporting operations at different times in the year is outlined in Exhibit 3.8.

At the height of the season, the 124 reporting companies provided about 1,300 full-time and part-time jobs[2]. To the extent these 124 firms are representative of the total industry, total employment for the 257 or so operations which make up the British Columbia fishing lodge/resort industry would be on the order of 560 in January and about 2,100 in July.

EXHIBIT 3.8: EMPLOYMENT IN REPORTING OPERATIONS BY SEASON

All Operations	Full-time		Part-time		Total	
	No.*	Average	No.*	Average	No.*	Average
January, 1987	59	5.3	15	7.9	63	5.6
April, 1987	83	7.4	35	3.8	87	8.6
July, 1987	119	8.1	68	4.8	124	10.3
October, 1987	101	5.3	46	4.6	105	7.1
Saltwater						
January, 1987	20	11.3	7	15.3	20	12.6
April, 1987	24	19.0	12	6.8	24	22.4
July, 1987	30	22.7	18	9.7	31	27.5
October, 1987	27	12.6	13	9.3	27	17.1
Freshwater						
January, 1987	39	2.2	8	1.5	43	2.3
April, 1987	59	2.7	23	2.3	63	3.3
July, 1987	89	3.1	50	3.0	93	4.6
October, 1987	74	2.6	33	2.8	78	3.7

* I.e., number of operations reporting employment for that date.

Source: 1988 Operators Survey

Ninety-four of the 135 operators reported their total accumulated capital investment (Exhibit 3.9). Total capital stock per facility averaged about 553,000, providing a total capital stock across all 94 facilities of $54.8 million. Total capital stock in the typical saltwater facility at $1.1 million, was over double the freshwater average of $401,000. Seventy-four facilities reported their 1987 capital expenditures. Capital expenditures in 1987 averaged about $185,000 per reporting facility. This average may be exaggerated by the possibility that many of the non-reporting respondents actually made no capital investments in 1987. If all non-reporting respondents made no capital expenditures, the average per facility drops to $101,000 in 1987.

EXHIBIT 3.9: TOTAL CAPITAL INVESTMENT AND 1987 TOTAL CAPITAL EXPENDITURES

Total Capital Investment to Date	($000) Saltwater	Freshwater	Total
Number Reporting	21	78	99
Average per Operation	1,119	401	553
Total for Reporting Facilities	23,499	31,268	54,766
Total 1987 Capital Expenditures			
Number Reporting	20	54	74
Average per Operation	553	49	185
Total for Reporting Facilities	11,047	2,648	13,695
Total Capital Investment to Date	**Multi Product**	**Single Product**	**Total**
Number Reporting	36	63	99
Average per Operation	596	529	553
Total for Reporting Facilities	21,438	33,329	54,766
Total 1987 Capital Expenditures			
Number Reporting	23	51	74
Average per Operation	104	221	185
Total for Reporting Facilities	2,402	11,294	13,695

Source: 1988 Operators Survey

Ninety-four of the 135 respondents indicated the number of clients who visited their facility in 1987 (Exhibit 3.10). The average per facility was 708 and the saltwater properties on average had 48% more guests than their freshwater counterparts. Eighty-eight of the 135 operators reported the number of client nights. The number of client nights averaged 2,772 per reporting facility, providing an average length of stay of 3.9 nights per guest. The average length of stay in freshwater properties -- at 4.2 nights -- was 27% above the saltwater properties.

EXHIBIT 3.10: CLIENTELE IN 1987

	Saltwater	Freshwater	Total
Number of Clients			
Number Reporting	23	71	94
Average per Operation	938	633	708
Total for Reporting Facilities	21,571	44,943	66,514
Total Number of Client Nights			
Number Reporting	24	64	88
Average per Operation	3,105	2,648	2,772
Total for Reporting Facilities	74,521	169,452	243,973
Average Length of Stay (Nights)	3.3	4.2	3.9
	Multi Product	**Single Product**	**Total**
Number of Clients			
Number Reporting	29	65	94
Average per Operation	929	609	708
Total for Reporting Facilities	26,954	39,560	66,514
Total Number of Client Nights			
Number Reporting	28	60	88
Average per Operation	3,813	2,287	2,772
Total for Reporting Facilities	106,766	137,207	243,973
Average Length of Stay (Nights)	4.1	3.8	3.9

Source: 1988 Operators Survey

3.4 Differences Between Saltwater and Freshwater Properties

Section 3.3 provided tabular data which compares saltwater and freshwater operations. This section brings out the major differences which may be important to product development and marketing initiatives.

The typical saltwater operation is more strongly focussed on sport fishing. As noted earlier, 78% of the saltwater operations can be defined as single product operations compared to 62% of the freshwater operations. With low water levels and the reductions in the number of freshwater anglers (as indicated in the license statistics), the freshwater operations may have had to respond by diversifying their product offerings and providing other outdoor activities.

The average saltwater operation is also much larger. Thirty of the saltwater operations have gross revenues of more than $100,000. Gross revenues (for the 34 saltwater properties which provided revenue data) average $873,000. Sport fishing accounted for 94% of the gross revenues of these properties. In sharp contrast, only one-quarter of the freshwater properties generated gross revenues of $100,000 or more in 1987. The gross revenues of the average freshwater property were $103,000 in 1987. Sport fishing revenues accounted for 92% of the typical freshwater operator's revenues. Saltwater operators have more than double the capital investment of their freshwater counterparts and, on average, employ five times more people during the peak season.

Accordingly, when we project from the sample to the total population, we find that the saltwater facilities account for only 20% of the total number of operations, but 68% of total industry revenues, 39% of the total capital stock, and nearly 60% of total industry employment during the peak season. Freshwater facilities on average are able to accommodate more guests but this largely results from their larger number of

trailer sites. Trailer sites generate much less revenue per guest compared to fixed roof accommodation.

Freshwater facilities are not only smaller on average, but have much older plant and equipment. Fifty-five of the 99 freshwater facilities have been in operation for over 20 years and many freshwater operations (33%) have been under the same management for at least ten years. Only 9 of the 99 freshwater properties started up in the past five years. In sharp contrast, only 6 of the 36 saltwater operations were established over two decades ago and nine -- one quarter of the total -- began operations in the past five years. Only one-fifth of the properties have been under the same management for over a decade.

The land base characteristics of the two types of facilities also differ substantially. Forty percent of the freshwater properties have some form of lease on Crown, DIAND or Provincial Park lands. Only 20% of the saltwater properties are in a similar situation. Only one saltwater facility operates year-round compared to 17 freshwater properties. The most frequent season for the freshwater properties is May to October while May to September is the most frequent season for saltwater properties. Therefore, saltwater operations typically are open for a shorter period but generate much higher revenues (on average) over the season.

The typical saltwater lodge, while largely focussed on sport fishing, provides more up-scale amenities compared to a freshwater lodge or resort. Most saltwater properties have a restaurant/dining room and lounge, most offer a private bath, and many provide hot tubs or jacuzzies. The freshwater properties are more rustic and basic. They provide the essential fishing services and facilities but most fishermen have to fend for themselves for meals and go off the property for other forms of entertainment. The freshwater properties however generally offer a wider range of outdoor activities. Many, for example, provide canoeing/kayaking, sailing/

windsurfing, hiking, wilderness and outpost excursions, hunting, swimming, and nature observation and photography. A growing number are also providing winter sports.

In short, compared to the saltwater properties, the freshwater operations offer a wide range of products which cater to families and a broader range of recreational interests. The saltwater properties are more narrowly focussed on sport fishing, although there are important exceptions among individual operators. As noted earlier, 33 of 35 saltwater operations sell sport fishing packages compared to only 42 of 85 freshwater properties. It can be assumed that the 13 freshwater operations who did not respond to this question do not sell packages.

The best measures of operational success in the data base are the average number of clients and client nights per facility, employment created per facility, revenues per facility, occupancy rates, revenues as a proportion of capital stock, and 1987 capital expenditures in relation to the capital stock. As noted in previous exhibits, the average saltwater property generates 48% more guests, 17% more client nights, and almost nine times more revenue. Even during the peak season, the average freshwater facility employs less than five people (typically a husband and wife and two or three full and part-time people), compared to 27 employees per property for the saltwater operations.

Higher revenues per property for the saltwater operations are the result of both higher occupancy rates as well as higher revenues per guest and per client night. Exhibit 3.7 indicates that during the peak season months from May to September, occupancy rates in reporting saltwater properties averaged 73%. Occupancy rates over the same period in freshwater properties averaged 51% (lower by more than two-fifths). The average guest at a saltwater property generated $1020 in revenue -- or about $310 per night. The corresponding figures per guest at freshwater properties are

revenues of $162 per guest and $39 per client night. The saltwater sub-sector, therefore, is comprised of full-service operations catering to avid fishermen who are prepared to spend top dollar on the experience. The typical freshwater property, with a few exceptions, caters to families and people with low to middle incomes, and provides a quality fishing experience in a rustic setting for a modest price.

Consistent with low revenues and occupancy, the typical freshwater operation may not be generating sufficient profits and retained earnings to maintain and upgrade its plant and equipment. Exhibit 3.9 indicates that total 1987 capital expenditures of $49,000 per property amounts to only 12% of the sub-sector's total capital stock. In light of the age of many freshwater properties, it is questionable whether capital expenditures at this level are sufficient to maintain the property at current standards. In stark contrast, the average saltwater operation made capital expenditures of better than $550,000 in 1987, compared to a total capital stock per facility of $1.1 million. While the capital expenditure data reflect in part the investment programs of a relatively few operations, the comparisons do suggest that the saltwater sub-industry is better able to generate retained earnings and/or to attract new financing for capital investment purposes.

In addition, the available evidence suggests that saltwater operations are generating reasonable revenues from their accumulated capital investment. The typical saltwater facility generates 86 cents in revenue for each dollar invested in the property, compared to a revenue to capital ratio of only 26 cents for freshwater properties. The freshwater ratio strikes us as very low for a service industry and implies that many freshwater properties are operating at close to the margin.

In general then, the financial status of the saltwater properties on average would appear to be much healthier than

the status of the freshwater properties. Undoubtedly there are important individual exceptions to this general statement but the overall tendency is important to formulating product development initiatives.

3.5 Differences Between Multiple Product and Single Product Operations

Single product facilities are defined as those properties which depend on sport fishing for more than 90% of their business. Multiple product facilities are below that percentage and cater to a broader set of interests and provide a wider range of outdoor recreation activities. Consistent with this, the typical single product facility depends on sport fishing for 97% of its gross revenues, compared to an average of 85% for the multiple product properties (Exhibit 3.3). It should be emphasized that each category includes a mix of saltwater and freshwater properties, as described by the following matrix:

	Salt	Fresh	Total
Multi-Product	8	28	46
Single Product	28	61	89
Total	**36**	**99**	**135**

Freshwater properties therefore account for 83% of the multi-product operations and 69% of the single product facilities; however, saltwater properties have significant representation in both categories. Therefore, the multi-product/single-product classification provides an alternative dimension for evaluating the British Columbia sport fishing lodge/resort industry.

Multiple product facilities differ from single product facilities in many important respects.

. The multi-product properties tend to be older and have had the same management for longer periods of time. Sixty-five percent have been in operation for over 20 years compared to 48% for the single product facilities.

. Relatively more operators own their own property (64% compared to 48% for single product facilities).

. Twenty-eight percent of the multi-product facilities operate year-round, compared to only 6% of the remaining properties. The seasonal facilities however appear to have similar seasons; May to October is the norm for both types of properties.

. The two types of properties do not differ greatly in terms of the facilities available on the property (see Exhibit 2.5 for a listing). Both types of facilities provide similar facilities and services to the sport fisherman.

. Differences in terms of the summertime activities offered to guests are somewhat more obvious. Relatively more multi-product facilities offer canoeing, and kayaking, sailing and windsurfing, hiking, wilderness excursions, hunting, trail riding and swimming. Single product facilities clearly want their beds filled by sport fishermen who generate more dollars per room-night than other tourists (see below).

. Consistent with the year round operation of many of these properties, multi-product operators offer relatively more winter activities to guests. For example, 16 of 46 provide ice fishing compared to 12 of 89 single product facilities.

. Multiple product operators depend more on the transient, drive-in traveller. Only 6 of 40 (who provided this information) are fully dependant on packages compared to 42 of 82 single product facilities.

Single product facilities tend on average to be much larger operations than multiple product facilities. Gross revenues from all sources average $401,000 for the single product operations compared to $180,000 for multiple product, and employment during the peak season amounts to 15.2 full and part-time jobs per single product facility compared to 8.7 jobs per multiple product facility.

However, the typical multiple product facility generates more guests and client nights per year than the average single product facility. The average number of clients are 929 per multiple product operation and 609 per single product operation. Length of stay is comparable and therefore the higher revenues generated by single product facilities are fully explained by higher revenues per client night. Revenues per client night average $143 per night for single product facilities compared to $44 per night for multiple product facilities. Multiple product facilities clearly are catering to a less up-scale market than single product facilities.

The financial performance of single product facilities appears to be more favorable than the performance of multi-product operations. Occupancy rates in single product facilities average 59% in the peak season months of May to September compared to 52% for the multiple product facilities. (Exhibit 3.11). More multiple product facilities are open and are generating revenues in the off-season but it is questionable whether the low occupancies indicated in Exhibit 3.11 generate sufficient revenue to cover operating costs. Moreover, revenue per dollar of accumulated capital investment amounts to 67 cents for single product facilities compared to 25 cents for multiple product facilities; (the accumulated capital investment of the typical multiple product operation is greater than for the average single product facility (see Exhibit 3.6).

EXHIBIT 3.11: OCCUPANCY RATES BY MONTH

	Total		Multi-Product		Single Product	
	No.*	%	No.*	%	No.*	%
January	18	25	12	31	6	12
February	14	21	10	26	4	9
March	17	23	10	25	7	21
April	22	26	11	23	7	30
May	90	37	35	32	55	40
June	123	55	43	46	80	61
July	124	68	43	46	81	68
August	126	68	44	68	82	68
September	121	54	42	50	79	56
October	72	35	31	38	41	32
November	19	23	11	24	8	20
December	17	24	12	28	5	11
Total No.	135	-	46	-	89	-

* Number of operations open and reporting occupancy rates.

Source: 1988 Operators Survey

Finally, single product facilities appear to be generating relatively more profits and retained earnings to support capital investment programs. The 1987 capital expenditures of single product facilities amount to 37% of their capital stock compared to 12% for multiple product facilities.

Multiple product facilities therefore are providing a diverse range of product offerings to middle income families and other less upscale markets. They are attracting a substantial clientele but apparently are operating close to the margin because of the low revenues generated per guest and client night. The consequence is the multi-product facilities are only able to generate sufficient retained earnings to maintain their plant and equipment. Revenues and retained earnings do not appear sufficient to support facility modernization, renovation and expansion.

3.6 Differences Between Larger and Smaller Properties

Gross revenues of $100,000 from all sources is used as the cut-off point between larger and smaller properties. While somewhat arbitrary, our view is that an operation below $100,000 probably is not generating sufficient net income to represent a full-time job for the operator. The owner therefore is probably operating the facility for life-style reasons or as a summertime hobby. The following distributes larger and smaller operations among freshwater and saltwater, and multi-product/single product facilities.

	Gross Revenues		
	Less Than $100,000	More Than $100,000	Total
Saltwater	4	30	34
Freshwater	75	22	97
Total	79	52	131
Multiple Product	31	14	45
Single Product	48	38	86
Total	79	52	131

With four exceptions, the smaller operations are freshwater properties. In contrast, saltwater operations account for 58% of properties with gross revenues of greater than $100,000 compared to their 25% share of the total sample. The hobby/lifestyle operations therefore are largely freshwater but the larger operations are fairly evenly mixed between saltwater and freshwater.

Exhibit 3.6 indicates that of the 22 freshwater properties over $100,000, twenty have gross revenues from $100,000 to $500,000. In contrast, 18 of the 30 saltwater properties over $100,000 have gross revenues of better than half a million dollars. Nonetheless, the above illustrates that many freshwater operators are running their properties as full commercial businesses and therefore could face many of the same problems and opportunities as the commercially run saltwater properties. The analysis which follows attempts to

illustrate the common characteristics between larger and smaller properties, regardless of the type of fishery.

Smaller properties differ significantly from larger properties in many important respects. Close to 70% of the properties with gross revenues of less than $100,000 have been in operation for over 20 years, compared to 30% for the larger operations. Sixty percent own their own property compared to 48% for larger operations, providing some stability and tenure to the smaller operators. Thirteen of 79 smaller properties operate year-round, compared to only four of the 52 larger properties. Most of the seasonal smaller properties operate from May to October, whereas many of the larger properties close in September.

As would be expected, comparatively few of the smaller properties provide a lounge, restaurant/dining room and other more up-scale amenities. These properties generally are rustic and leave the fisherman to fend for himself. On the other hand, the outdoor activities provided by the smaller properties are comparable to those provided by operators with revenues of greater than $100,000. The only major differences are that relatively more small properties provide canoeing/kayaking, hiking, hunting, and trail riding -- recreational activities which can be provided at little cost to the operation. As well, the smaller properties are more active in providing wintertime activities. One major difference lies in the method used to sell to the consumer. Only 22% of the smaller properties are fully dependent on packages, compared to 63% of the larger properties. The smaller properties therefore provide a basic service in a rustic setting to the casual drive-in angler and other recreationists.

One interesting difference is that the smaller properties covered in the survey appear to be under less fishing pressure (expressed as changes in fishing activity) than the facilities with gross revenues of more than $100,000 per

year. In responding to the question of whether sport fishing activity in their areas had increased over the past half decade, 32 of 75 operators of smaller properties responded in the affirmative compared to 37 of 51 owners of larger properties.

Operations with less than $100,000 in annual gross revenues are small but their contributions to the fishing lodge/resort industry and to the total economy still are significant. Gross revenues of the smaller properties average about $40,000 compared to over $600,000 in gross revenues for the larger properties. However, the typical smaller property creates quite significant employment in the peak season. Among reporting properties, July 1987 employment averaged about 5 jobs per smaller operation compared to 13 jobs per facility for properties with over $100,000 in gross revenues. Smaller properties cater to about 460 guests in an average year, compared to an average of 830 guests per year for larger properties. The number of client nights at a smaller operation averaged about 2000 per property in 1987, compared to 3200 per property for the larger operations. Because the smaller properties outnumber the larger ones by almost two to one, they account for quite significant shares of the industry totals, including: about 50% of clients and client nights; 40% of peak season employment; 25% of the accumulated capital investment up to 1987; and ten percent of gross revenues.

However, the survey data suggest that the financial performance of the smaller properties falls well short of the performance of the larger lodges and resorts. Occupancy rates during the season (May to October) average 47% among the low revenue properties compared to 62% for the high revenue properties (Exhibit 3.12). Revenue generated per client night -- at about $20 per night -- is a fraction of the larger properties average of $175 per client night.

The capital stock of the smaller properties is quite significant but the owners generate comparatively little

EXHIBIT 3.12: OCCUPANCY RATES BY REVENUE SIZE

	Less Than $100,000		More Than $100,000	
	No.*	%	No.*	%
January	14	28	4	11
February	11	22	3	15
March	12	21	5	9
April	12	12	10	24
May	58	31	31	46
June	72	46	50	67
July	73	61	50	79
August	74	62	51	75
September	72	47	48	63
October	50	32	21	42
November	14	20	21	42
December	13	24	4	25

* No. of operations open and reporting occupancy in that month.

Source: 1988 Operators Survey

revenue from the capital investment made in the past. For the smaller properties, each dollar of capital investment generates only 13 cents of gross revenue. The corresponding ratio for larger properties is 72 cents per dollar of accumulated capital investment. The revenues generated by smaller properties are not sufficient to generate the retained earnings needed to maintain and upgrade capital equipment. Furthermore the 1987 capital expenditures of the smaller properties (which responded to this question) averaged about $25,000 per property compared to about $400,000 per property for the larger operations. Assuming that operators who did not respond made few if any capital investments in the past year, the average across all smaller properties in the industry could be even lower. Capital expenditures of $25,000 or less, when compared with a capital stock in the range of $250,000 to $300,000 per property, are probably not sufficient to maintain these properties at their current standard.

3.7 Key Regional Differences

The differences between regions largely reflect variations among types and sizes of facilities. However, a few regional differences can be noted.

. Properties in the two key Interior regions, High Country and the Cariboo, tend to be much older than properties elsewhere. Two-thirds of the properties in the two regions combined are more than 20 years old compared with about one-fifth of the properties on Vancouver Island.

. Thirty-one of the 40 operators in the Cariboo own their own property, compared to 41 of 94 operators in the rest of the province.

. Twelve of the 18 sample operations which operate year-round are found in the High Country and the Cariboo.

. Compared to the other operations, more of the Vancouver Island facilities provide a lounge, dining room/restaurant and the up-scale amenities (swimming pool, hot tub/jacuzzi, sauna, etc.). On the other hand, the winter activities are largely provided by the High Country and Cariboo facilities.

. Nineteen of 27 Vancouver Island operations sell only packages. The ratio for the rest of the province is 29 out of 100.

. Operators on Vancouver Island and North by Northwest believe they are facing more severe fishing pressure than operators in other parts of the province. When the above two regions are combined, 39 of 47 operators stated that fishing activity in their areas had increased over the past five years. Only 33 of 83 operators in the rest of the province provided the same answer.

HIBIT 3.13: KEY INDICATORS BY TOURISM REGION

	Vancouver Island	High Country	Cariboo	North by Northwest	Other[1]	Total
. of Operators						
- Sample	27	36	40	22	10	135
- Total Industry	46	77	69	44	21	257
oss Revenues:						
erage Per Property ($000)						
- From Sport Fishing	993	65	144	189	214	311
- All Sources	1076	76	147	196	220	325
tal Capital Stock:						
verage Per Property $000)	1233	268	641	337	254	553
87 Capital Expenditures:						
verage Per Property $000)	529	25	100	227	12	185
ient Base						
verage Per Property)						
Clients	1046	1179	425	332	578	708
Client Nights	3308	4676	2307	850	1934	2772
ccupancy Rates (%):						
y to October						
May	65	35	29	37	22	37
June	66	57	50	53	51	55
July	83	66	62	67	63	68
August	87	67	60	60	65	68
September	74	50	43	64	49	54
October	45	30	35	51	15	35
Average	70	51	47	55	44	53
verage Employment						
r Property[2]						
Jan 1987	15.9	1.8	2.7	2.5	2.8	5.6
April 1987	25.2	2.6	4.7	4.0	5.1	8.6
July 1987	31.3	4.1	5.4	5.7	5.1	10.3
October 1987	20.4	3.3	4.1	5.1	4.4	7.1
ccommodation						
acilities						
odge Accommodation						
o.	18	7	9	7	4	45
ooms Per Facility	15.2	4.9	11.0	8.3	9.8	11.2
eds Per Facility	36.5	13.5	26.2	9.0	18.8	25.8
abin Accommodation						
umber	10	33	32	16	6	97
ooms Per Facility	12.2	10.1	7.5	6.3	9.3	8.8
eds Per Facility	25.8	27.2	18.7	16.7	27.3	22.4
railer Accommodation						
umber	1	24	24	9	7	65
ites Per Facility	60	23.5	24.9	36.9	19.0	26.0
uests Per Facility[3]	240	94	99.6	147.6	76.0	104.0
oat Accommodation						
umber	4	6	6	2	3	19
eds Per Facility	38.5	19.2	14.5	31.0	27.0	25.7

In order to preserve commercial confidentiality, any regions with less than ten sample operations have been included under "Other".
Includes part and full-time employment. Covers only those properties which reported employment for that date.
Based on four guests per trailer.

ource: 1988 Operator Survey

. Twenty-nine of 35 operators in the High Country had gross revenues of less than $100,000 in 1987, while 27 of 40 operators in the Cariboo were below that figure.

. In contrast, only 2 of 25 operators on Vancouver Island had revenues of less than $100,000. The Island accounts for 40% of the larger properties (gross revenues of $100,000 plus) in the sample. Average revenues for properties on Vancouver Island are about three times above the provincial average.

Exhibit 3.13 presents some of the key indicators by region.

3.8 Implications for Product Development Initiatives

The results of this analysis hold a number of implications for the formulation of product development initiatives by industry and government.

1. The British Columbia fishing lodge/resort industry is an important provincial industry and plays a major role in British Columbia's tourist sector. The industry's contribution to the British Columbia economy is further discussed in Chapter 8.

2. Much of the industry's capital stock is over twenty years old and many operators, especially on the freshwater side, are not generating sufficient revenues and retained earnings to modernize and upgrade their properties.

3. Many operators -- close to 40% -- do not own the land on which their facility is located. Lack of long-term tenure and security together with resource-use conflicts and potential infringements by other economic activities, will discourage operators from renovating and upgrading their properties.

4. Many freshwater properties are offering a wider range of outdoor recreation activities, including winter sports. Product diversification could increase in the future in response to market trends and a desire to increase patronage during the shoulder and off seasons.

5. Occupancy rates and utilization of existing capacity are low. Visitation can be increased significantly with no additions to fixed-roof accommodation.

6. The fishing lodge/resort industry of British Columbia is very diverse with operations spread throughout the province. Operations vary greatly in terms of: the type of fishing provided (salt and fresh); amenities, facilities and services; degree of concentration on sport fishing; gross revenues; markets; and method of selling to the consumer. Because of this diversity, developing industry consensus regarding regulations, licensing, cooperative marketing, resource co-management, etc., likely will require major efforts by both industry and government.

7. Most owners have operated their facilities for many years and own their own property. For many, a sport fishery lodge is a hobby or income supplement, not a full-time job, and their fishing lodge is treated largely as their summertime residence. Compared to other segments, the evidence suggests these operators may be less interested in product development, facility improvements, and attracting new markets. For those who are interested, some may not be generating sufficient net income to support such efforts. Accordingly, this industry segment may have to be addressed in a different manner when formulating product development initiatives.

8. Different approaches are needed for saltwater and freshwater operations, and for larger and smaller operators. A five part industry classification is an option for formulating product development initiatives, as follows:

	Freshwater	Saltwater
Larger Commercial Ventures (Gross Revenues of $500,000 plus)	X	X
Medium Scale Commercial Ventures (Gross Revenues of $100,000 to $500,000)	X	X
Smaller Hobby Type Ventures (Gross Revenues Less than $100,000)	X	-

The five part classification acknowledges that different approaches may be needed for large and medium scale commercial ventures and for smaller facilities, and that the hobby-type operations are for the most part freshwater properties. Very few saltwater operations have gross revenues of less than $100,000.

9. The industry is concentrated for the most part in four British Columbia Tourism Regions and regional differences are largely a reflection of variations in the type and scale of properties in each region. Property characteristics therefore are more important than regional location. A vertical industry approach rather than a regional approach is more appropriate to product development.

FOOTNOTES -- CHAPTER THREE

1 The sample is proportionally representative of the facility distribution. The Peace River region, with a sample size of 1, is representative given the absence of lodges and predominance of guides and outfitters.

2 Calculated from 124 operators averaging 10.3 full and part-time jobs in July.

.0 MARKET ANALYSIS

British Columbia fishing lodge operators attract a diverse market, consistent with the diversity of their product. Evidence concerning current and potential markets has been assembled from:

- 1987 users
- Travel influencers
- Industry
- Other survey data sources.

It is presented in this section and analyzed to identify the key implications for industry marketing initiatives.

.1 Market Profiles From the Operators

4.1.1 Market Origin

For the total sample of operators (freshwater and saltwater combined), British Columbia residents account for the largest share of the market (36%). When separated by type (Exhibit 4.1), 40% of the freshwater markets are dependent on residents.

EXHIBIT 4.1: MARKET PROFILE BY ORIGIN OF BRITISH COLUMBIA FISHING LODGE OPERATIONS

	Average Percent		
	Saltwater (%)	Freshwater (%)	Total (%)
British Columbia	23	40	36
Alberta	11	8	9
Other Canada	7	2	4
Canada	**41**	**50**	**49**
Washington	24	17	19
Oregon	8	6	7
California	19	13	15
Mid U.S.	3	3	3
East U.S.	2	2	2
United States	**56**	**41**	**46**
Europe	2	6	5
Pacific Rim	1	0	0
Overseas	**3**	**6**	**5**

Source: 1988 Operators Survey

The saltwater market, on the other hand, is more evenly divided between three primary markets, Washington, British Columbia and California. In order of importance, British Columbia, Washington and California are the three primary markets for freshwater facilities. Alberta represents the fourth market for both types of operations.

In total, saltwater operations attract the greatest share of U.S. visitors when compared with freshwater operations. The majority of the U.S. market is represented by the U.S. Pacific states. There is a small European component attracted to the freshwater facilities. When compared with the 1985 Federal Fisheries studies on overall sport fishing, the market origins for British Columbia fishing lodges are similar but the operators are attracting a greater share of non-resident anglers.

Market profiles were also identified by size of operation. Saltwater operators generating less than $100,000 tended to

have a greater resident market share. The order of importance in market origin did not change and there was less than a 10% market share difference between the small and large operations. For the freshwater operations, there was even less difference in market profile between the small and large operations.

The market origin data was also used to determine the degree of specialization or the number of operators with a market share of greater than 50% for a specific area. In general, less than 34% of the operators have developed a specialized geographic market. Of these operators, the majority (74%) of freshwater operators specialize in the resident market and the majority (60%) of saltwater operators specialize in the Washington market.

4.1.2 Demographics and Party Composition

The demographic profiles of saltwater and freshwater facilities are similar (Exhibit 4.2). The typical visitor is male, aged 35-54 years. Saltwater facilities have a higher market share of this typical visitor. On the other hand, freshwater facilities have a greater market share of both younger and older clientele compared to saltwater facilities.

There is a marked difference between the party composition of freshwater and saltwater facilities. Freshwater operators cater to families (38%) and couples (30%). Freshwater operators with gross revenues of less than $100,000 capture a greater share of this market, 43% families versus 27% for larger facilities.

EXHIBIT 4.2: MARKET DEMOGRAPHICS AND PARTY COMPOSITION

Demographics	Average %		
Age	**Saltwater**	**Freshwater**	**Total**
Under 20	3	9	7
20 - 34	16	19	18
35 - 54	56	42	46
55 or over	24	29	28
Sex			
Male	79	64	68
Female	21	35	31
Party Composition			
Families	8	38	31
Couples	20	30	27
Singles	9	9	9
Groups	64	22	33

Source: 1988 Operator Survey

Groups accounted for 64% of the parties to saltwater lodges. This in turn is reflected in the 79% male component of the market profile. Saltwater operations with gross revenues less than $100,000 attract more families and fewer groups than the larger facilities.

4.1.3 Summary of Market Profile

The typical visitor to saltwater operations is male, between ages 35-54 years, travels in a group and is likely to come form Washington, British Columbia or California. The typical visitor to a freshwater facility is a resident of British Columbia, 35-54 years, and male, travelling as a couple or with his wife and family.

4.2 How Are the Operators Reaching the Market

4.2.1 Packaging the Product

The majority of saltwater operators sell their fishing product in the form of a package. Of freshwater operators, 27% sell only packages and just over 50% offer both packages and individual services where the guests pay for fishing and accommodation separately (Exhibit 4.3). The operators were asked to provide pricing information for both packages and services. As a result of the inconsistency in the pricing of services, only package data were analyzed.

EXHIBIT 4.3: PRODUCT PACKAGES

	% Response		
	Saltwater	Freshwater	Total Sample
Packages	70	27	39
Packages and Individual Services	22	51	22
Individual Services Only	8	22	39

Source: 1988 Operators Survey

Packages were quoted as either number of nights or days and they could include a variety of options. For several packages there were many add-on costs which the guest would pay in addition to the package price. Standardization of packaging and pricing procedures would be helpful to both the user and the industry.

The operators were asked to provide information on their three most popular packages. In total, the saltwater operators identified 58 packages and the freshwater operators 65 packages. The average package length was three days for saltwater and four days for freshwater. The packages typically included meals and accommodation. The type of fishing services included in the package varied between saltwater and freshwater operations (Exhibit 4.4).

Freshwater fishing packages on average do not include bait, tackle and guides where the reverse is true for saltwater. The saltwater package is more inclusive and almost all include accommodation, boats and tackle.

EXHIBIT 4.4: LODGE/RESORT SPORT FISHING PACKAGES

	% Packages Which Include	
	Saltwater	Freshwater
Air transportation	69	31
Accommodation	98	95
Meals	76	86
Guides	71	48
Boats	91	86
Tackle	90	40
Boxing of Fish	78	68
Land transportation	48	54
Liquor	35	15
Bait	71	31
Fishing Licence	48	25

Source: 1988 Operator Survey

The average package costs $375 per day for saltwater and $210 per day for freshwater operations. By applying the average length of stay, the typical package costs $1,125 for saltwater and $840 for freshwater. Some but not all of the saltwater packages may include high cost items such as guides, boats and air transportation. Sixty-two percent of the saltwater packages are greater than $300 per day and 21% cost over $500 a day. The majority of freshwater packages are in the $50 to $200 per day range and only 24% of the freshwater packages are priced higher than $200 per day (Exhibit 4.5).

EXHIBIT 4.5: RANGE OF PACKAGE COSTS

Cost of Package/Day ($)	% of Packages	
	Saltwater	Freshwater
1 - 100	5	38
101 - 200	21	38
201 - 300	12	8
301 - 400	22	8
401 - 500	19	5
501 +	21	3

Source: 1988 Operators Survey

As indicated in Exhibit 4.4, the typical freshwater package does not include air transportation to the lodge. Seventy-seven percent of the freshwater guests arrive by automobile and 23% by air. The reverse is true for the saltwater guest; 80% arrive by air and 20% by automobile. Although several of the saltwater lodges are remote and only accessible by air, there are also many saltwater lodges which do have road access but the majority of their guests still prefer to arrive by air.

Repeat visitation for the total sample is very high (58%). Saltwater operations experience a higher repeat business (63%) than freshwater operations (57%).

4.2.2 Selling the Product

A number of factors were considered in determining marketing strategies:

- marketing budgets
- marketing tools
- where marketing is directed
- marketing effectiveness

What Are the Marketing Budgets?

On average, saltwater facilities spend more money on marketing and promotion than freshwater facilities. The average budget for saltwater facilities in 1987 was $51,800 and represents 5% of average gross revenues. Freshwater operators spent on average $4,500 on marketing or 4% of average gross revenues. The majority of the freshwater operations (82%) in fact spent less than $5,000 on marketing in 1987 (Exhibit 4.6). In comparison, the marketing budgets of saltwater operators were more evenly distributed across the properties than for freshwater facilities.

EXHIBIT 4.6: OPERATORS' MARKETING AND PROMOTION BUDGETS, 1987

Average Budget	Saltwater	Freshwater	Total
Sample Average	$51,861	$ 4,514	$16,447
Average for Operations <100,000 Gross Revenues	1,333	2,525	2,775
Average for Operations >100,000 Gross Revenues	$57,544	$10,561	$35,932

Budget Distribution

	% Operators		
Marketing Budget($)	Saltwater	Freshwater	Total
1 - 5,000	27	82	68
5,001 - 10,000	20	8	11
10,001 - 50,000	30	9	14
50,000+	23	1	7

Source: 1988 Operators Survey

What Marketing Tools Do Operators Use?

The operators identified the marketing tools they used in 1987 as shown in Exhibit 4.7. In part because of the limitations of their budget, freshwater operators utilize print material (accommodation guide, magazine/newspaper ads) for reaching their market. The saltwater operators utilized a more direct contact approach (promotional trips, trade/consumer shows) with their client, thus incurring the

greater reported costs for marketing. The two most popular avenues for marketing, word of mouth and brochures, were the same for the two types of operations.

EXHIBIT 4.7: USE OF MARKETING TOOLS BY OPERATORS

Saltwater	% Use	Freshwater	% Use
Word of Mouth	97	Word of Mouth	97
Brochures	89	Brochures	92
Direct Mail	78	Accommodation Guide	81
Promotional Trips	72	Magazine Ads	61
Trade Shows	69	Direct Mail	46
Magazine Ads	67	Newspaper Ads	32
Consumer Shows	64	Consumer Shows	31
Accommodation Guide	56	Trade Shows	28
Newspaper Ads	44	Promotional Trips	23
Complimentary Trip for Travel Writer	33	Radio Ads	20
Film/Slide Shows	25	Complimentary Trip for Travel Writer	19
Posters	19	Film/Slide Shows	13
Radio Ads	11	Other	10
Other	11	Posters	8
Travel Radio Show	8	Television Ads	1
Television Ads	3	Travel Radio Shows	0

Source: 1988 Operators Survey

Most saltwater operators (94%) mailed out information to their past guests. Only 69% of the freshwater operators indicated that they mail out to past guests. Some of the saltwater operators have developed elaborate newsletters which are used to announce new products, to feature past guests, and to remind the reader of the great experience one has when staying at the lodge. Seventy-seven percent (77%) of the saltwater operators and 66% of the freshwater operators participated in collective marketing, generally with the following groups:

- 54% with regional associations;
- 23% with other lodge operators;
- 13% with other non-fishing related operators;
- 7% with transportation carriers.

Most guests booked their trip directly with the lodge. Only 5% of the freshwater guests booked through a travel agent and 2% through a wholesaler. Saltwater guests booked 7% of their trips with a travel agent and 1% booked through a wholesaler.

In addition to fishing, operators included other features in their marketing (Exhibit 4.8). Only four key features were identified by the saltwater operators versus nine for the freshwater operators (Exhibit 4.8). The responses indicate that the freshwater operators are trying to appeal to a diverse market (and may be diluting their message in the process). On the other hand the saltwater anglers are presenting a distinct message as to what they are selling, high quality sport fishing. Based on this comparison of the responses it appears that the saltwater operators are more focussed as to how and what they are selling.

EXHIBIT 4.8: COMMON FEATURES EMPHASIZED IN THE OPERATORS MARKETING MATERIALS

Saltwater Response	% Response	Freshwater	%
Good/best salmon fishing	67	Good fishing	74
First class facility/service	30	Wilderness experience	23
All inclusive package	20	Relaxing atmosphere	19
Scenery/wildlife	17	Other activities	14
		Scenery/Wildlife	13
		First class facility/service	12
		Family environment	12
		Rustic	12
		Remote	10

Source: 1988 Operators Survey

The operators identified word of mouth as the most effective marketing tool. Beyond that, there was a definite difference in their views of the four most effective tools.

Top Four Most Effective Marketing Tools

Saltwater	% Response	Freshwater	% Response
Word of Mouth	69	Word of Mouth	86
Consumer Shows	29	Accommodation Guide	49
Newspaper Ads	23	Brochures	35
Direct Mail	19	Magazine Ads	17

The freshwater operators report greater effectiveness in attracting their clientele through the generic British Columbia marketing materials (e.g. Accommodation Guide) and brochures. Saltwater operators find newspaper advertisements more successful and freshwater operators find magazine advertisements more successful.

Where Are They Marketing and How Effective Is It?

The distribution of marketing effort is a reflection of the market profile (Exhibit 4.9). This is particularly true for the typical freshwater and saltwater operators who direct their marketing effort to more than one location such as British Columbia, Washington, California, Alberta. This does not hold true for those operators who specialize in a specific market area.

Twenty-eight percent (28%) of the saltwater operators directed their marketing efforts, (defined as targeting more than one-half of the marketing toward one location) to the following origins:

- 11% of the operators to British Columbia
- 11% of the operators to Washington
- 6% of the operators to California.

EXHIBIT 4.9: ADVERTISING EFFORT IDENTIFIED BY MARKET

	Average %		
	Saltwater	Freshwater	All Operations
British Columbia	23	46	40
Alberta	6	6	6
Remaining Provinces	5	1	2
General Canada	7	8	8
Washington	23	9	12
Oregon	5	3	3
California	14	7	9
Mid United States	1	2	1
East Coast U.S.	-	1	1
General U.S.	15	12	13
Europe	-	2	1
Pacific Rim	1	1	1
Other	1	2	2

Source: 1988 Operators Survey

In comparison, 48% of the freshwater operations spent greater than 50% of their marketing budgets on the following target markets:

- 34% of the operators to British Columbia
- 3% of the operators to Alberta
- 5% of the operators to Washington
- 5% of the operators to California
- 1% of the operators to Europe.

For freshwater and saltwater combined, 57% were successful in attracting more than one-half of their targeted market. Conversely, 11% of the total operators who do not target a specific market do achieve a greater than 50% share of a market origin. These origins include British Columbia, Washington, California and Alberta. It was assumed that for these operators word of mouth (which is not reflected in the marketing effort) is creating the higher market profile in the target location.

4.3 The User Perspective

The user survey responses contain several areas of potential bias which the reader should note in reviewing the results. These are:

- the sample does not represent users from all fishing lodge operations
- the operators tended to provide names of their most satisfied guests
- users tended to be the more avid fishermen
- only 14 saltwater users were interviewed
- the survey only includes North American visitors.

For this qualitative data set, patterns and trends did emerge, regardless of the limitations listed above.

4.3.1 The Individual User

Trip Characteristics

For the majority (72%) of the users interviewed, the fishing lodge was the main destination. This did not vary between saltwater and freshwater users. June, July, August and September were the most popular months (Exhibit 4.10). The saltwater users either drove (50%) or arrived by air (50%) to the facility. On the other hand 80% of freshwater visitors drove and a small proportion (20%) arrived by air. The average length of stay for freshwater guests was 10 days and, for saltwater, 12 days.

EXHIBIT 4.10: SEASONAL DISTRIBUTION OF FISHING LODGE USE

	% Response							
	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Saltwater	--	14	43	29	14	--	--	--
Freshwater	9	25	14	19	18	10	4	1
All Users	8	23	18	21	17	9	3	1

Source: 1988 Users Survey

For the most part, both the freshwater and saltwater users do not participate in many other activities besides fishing. Hiking (25%), nature observation/photography (11%) and swimming (6%) were the main recreational activities besides fishing that were identified by the respondents.

Saltwater users spent considerably more money for their fishing trip than freshwater users. The average trip cost was $1,800 for the saltwater users, $825 for the freshwater users, and $980 for the total sample. These results are indicative of the higher package price being offered by saltwater operators. Fifty percent (50%) of the saltwater users and 42% of the freshwater users paid for their trip as an all-inclusive package price. When asked how they prefer to pay for their trip all users identified all-inclusive package price.

Users Fishing Experience

The results of the user survey are generally consistent with the 1985 Federal Fisheries Surveys regarding preference and frequency. These users have also gone fishing to other lodge destinations in British Columbia, Alberta, Yukon, Alaska, Washington, Oregon and other countries. The three most popular areas outside of British Columbia were Alberta, Alaska and Oregon. The freshwater users indicated greater loyalty to their freshwater fishing compared to saltwater users (Exhibit 4.11).

EXHIBIT 4.11: PREFERENCE OF USERS FOR FRESHWATER OR SALTWATER FISHING

	Prefer Saltwater Fishing	Prefer Freshwater Fishing	No Preference
Saltwater Users	58%	17%	25%
Freshwater Users	0%	77%	23%
All Users	8%	69%	23%

Source: 1988 Users Survey

The users identified their three most preferred sport fish species. The top three favorites for the freshwater users were rainbow trout, lake trout and steelhead salmon. The saltwater users identified salmon (no species), coho and chinook salmon as their top three preferred species. It appears that to a saltwater user the opportunity to catch salmon is more important than the opportunity to catch a specific species of salmon. In fact, the typical saltwater user may not know the difference between species. These results are consistent with the 1985 Federal Fisheries surveys on sport fishing.

What Are the Users Looking for in a Fishing Lodge Experience?

There were several common features which both the saltwater and freshwater users identified as being important to them when selecting a fishing lodge (Exhibit 4.12). The most important features indicated were the natural scenic beauty and remoteness of the lodge setting. In addition, service was also chosen by both user types as an important feature. The availability of non-fishing activities was unimportant to both user types as was ease of travel time to the lodge. Beyond the similarities, saltwater users identified specific features which differed from freshwater users. The number and size of fish caught was more important to saltwater users. These users also indicated that the cost and quality

of accommodation were important when they selected a lodge. First class accommodation with a rustic/remote atmosphere was their preference. The freshwater users were more interested in rustic accommodation; first class accommodation was not important.

EXHIBIT 4.12: FACTORS WHICH ARE IMPORTANT TO THE USER WHEN SELECTING FISHING LODGE/RESORT

	% Response			
	Very Important	Somewhat Important	Not Very Important	Not at All Important
Saltwater				
Natural/Scenic Beauty	77	15	7	0
Remoteness	57	22	14	7
Service	54	38	0	8
Number of Fish Caught	50	21	29	0
Size of Fish Caught	50	21	21	8
Cost of Lodge	43	29	7	21
Ease of Travel Time	36	14	14	36
First Class Accommodation	33	33	25	9
Rustic Accommodation	25	33	42	0
Availability of Non-Fishing Activities	0	8	17	67
Freshwater				
Natural/Scenic Beauty	86	9	0	4
Service	56	28	12	3
Remoteness	46	36	10	8
Rustic Accommodation	36	47	8	9
Ease of Travel Time	26	35	30	9
Cost of Lodge	25	55	13	6
Number of Fish Caught	23	49	13	15
Size of Fish Caught	18	35	29	18
First Class Accommodation	7	20	37	34
Availability of Non-Fishing Activities	4	10	27	55

Source: 1988 Users Survey

The users were asked to identify the most memorable features of their stay at the lodge. The freshwater users felt that the good fishing (size and number of fish caught), scenery and wildlife, and the friendly hospitality of the staff were the most memorable features. Other factors: the relaxing atmosphere, good weather, camaraderie with other guests and planned activities (races, derbies, BBQ's) were mentioned by

less than 10% of the users. Only three features, the good fishing, good service and friendly hospitality of the owners, staff and guides, were highlighted by more than 25% of the saltwater users. Clearly the fishing and lodge atmosphere are the two most important features of both saltwater and freshwater facilities.

Asked about improvements to the product, both saltwater and freshwater users identified problems with the declining fish resource and fish regulations as areas which need improvements. The freshwater users identified modern cabins and furnishings, and indoor plumbing as facility improvements which would enhance their stay.

When Do the Users Select a Fishing Lodge?

The saltwater users tend to plan for their trip earlier than the freshwater users. The majority (71%) of the saltwater users planned their trip six months to over one year in advance. Although 48% of the freshwater users planned their trip in the same time period, 36% of these users booked within two months. Only 14% of the saltwater users planned their trip this late.

How Does the User Find Out About a Fishing Lodge

Although the results to this question were similar, the freshwater user found out about the lodge through a greater number of marketing avenues than the saltwater user. The two primary methods for obtaining information used by the saltwater users were word of mouth (43%) and newspapers/magazines (36%). The freshwater users identified word of mouth (53%) and other avenues (30%) as their primary methods for obtaining information on fishing lodges (Exhibit 4.13). Word of mouth recommendations were cited by 52% of all users.

EXHIBIT 4.13: FISHING LODGE VISITORS: SOURCE OF INFORMATION

	% Response					
	Word of Mouth	Newspaper/ Magazine	Other Avenues	Brochure	Trade Shows	Travel Agent
Saltwater	43%	36%	14%	7%	0%	0%
Freshwater	53%	13%	30%	1%	1%	1%
All Users	52%	16%	28%	2%	1%	1%

Source: 1988 Users Survey

Direct booking was the main method in making reservations to a fishing lodge. Three percent (3%) of the freshwater users booked through a travel agent and 3% did not make reservations. All of the saltwater users booked directly with the lodge.

Why Did the Users Select the Facility?

When asked why they selected the facility they went to, the key feature identified by 50% of the saltwater users was that the facility was well recommended. Area, location, scenery, remoteness and "generally a great place" were stated by 25% of the saltwater users. The freshwater users selected their facility on a different set of criteria. Approximately 50% of the freshwater users identified area, location, scenery and remoteness as the primary reason for selecting the lodge. Twenty-five percent stated that the lodge was well recommended and 20% stated that it was the good service and hospitality of staff which determined their choice.

Will the Users Return?

The majority (90%) of the users stated that they will return to a British Columbia fishing lodge. Of those users, 73% of saltwater and 93% of freshwater users stated that they will return in 1988. The remainder indicated that they are

planning to return within the next three years. Eighty-eight percent (88%) said that they will go back to the same lodge.

4.3.2 Corporate Users

In addition to single users, a survey of corporate users was conducted. From 31 names of corporations who do utilize British Columbia fishing lodges, 15 completed surveys were obtained. Very distinct trends emerged.

Corporations booked more than one trip a year to one or several lodges. On average the corporations surveyed organized 44 trips a year. Sixty-seven percent (67%) of the corporations stated that they utilize saltwater properties and 33% booked both freshwater and saltwater facilities. Similar to single users the corporate clients were loyal to British Columbia lodges. Seventy-three percent (73%) only used British Columbia lodges. Other destinations mentioned were Alabama and Montana. These corporate trips for the most part were not incentive trips (33%); most were organized for clients of the corporations (67%).

The profile of corporate users described by the respondents was male (90%) and between the ages of 35-54 (74%). Younger anglers, 20-34 years (27%) and older anglers, 55 plus (23%) were also guests of these corporations.

When asked what type of facilities the corporations were looking for, the consensus was an all-inclusive product with good guides, boats, food and accommodation. Scenery and good fishing were also mentioned. The corporations were only interested in a fishing product and could not identify any other activities besides fishing, which the lodge could offer their guests.

The corporate user selected lodges based on very different features than the single user. The most important feature was service, identified by 93% of the corporations. Other

important features were natural/scenic beauty, first class accommodation, and number and size of fish caught (Exhibit 4.14). Rustic accommodations were of little importance and non-fishing related activities were not at all important. The corporations were also very satisfied with the British Columbia fishing lodge product. Only the following few comments were offered for improvements:

- more videos to assist in selling the trip;
- availability of bookings;
- prices are high; and
- assurance of transportation.

EXHIBIT 4.14: FACTORS WHICH ARE IMPORTANT TO THE CORPORATE USER WHEN SELECTING A SPORT FISHING LODGE

	% Response				
	Very Important	Somewhat Important	Not Very Important	Not at All Important	No P
Service	93	0	0	0	
Natural/Scenic Beauty	60	27	13	0	
First Class Accommodation	60	7	7	13	
Number of Fish Caught	47	40	7	7	
Size of Fish Caught	47	27	20	7	
Ease of Travel Time	40	47	0	13	
Cost of Lodge	40	20	13	27	
Remoteness	33	13	20	27	
Rustic Accommodation	20	7	27	13	
Non-Fishing Related Activities	0	0	0	73	

Source: 1988 Corporate User Survey

The corporate users indicated that they preferred all-inclusive pricing. They investigated fishing facilities more so than the single user. Newspapers/magazines, brochures and word of mouth were all equally identified. The corporations booked directly and only 15% used travel agents. Similar to the saltwater user the corporate user booked well in advance:

- 10% 2 weeks
- 30% 2 weeks to 6 months
- 30% 6 months to 1 year
- 30% greater than 1 year.

Eighty-seven percent (87%) of the corporations stated that they were planning to book trips to the same lodge in 1988. Several of them also indicated that they were organizing trips to more than one facility. The corporate users provided the following comments on ways to assist them with their trips:

- produce a brochure similar to the Accommodation Guide which provides information on all quality sport fishing lodges
- provide additional information on the area where the lodge is located and on British Columbia in general for guests
- improve fisheries management.

4.4 Potential Users

A profile of potential users of sport fishing lodge/resort products has been developed through analyzing the Visitors '87 respondents who indicated a strong interest in taking a fishing charter as part of a future vacation in British Columbia. In indicating their degree of interest in taking a fishing charter, the Visitors '87 sample of about 1,000 respondents was distributed as follows:

	Percentage
Not Interested	45.0
Probably Not Interested	14.8
Somewhat Interested	15.6
Very Interested	24.2

The Visitors '87 results indicate therefore that close to one-quarter of non-resident tourists to British Columbia could be interested in making a purchase of a sport fishing product in the future.

In order to better differentiate potential users of sport fishing lodge/resort products from other tourists, the Study Team compared the characteristics of respondents who indicated a strong interest in purchasing a fishing charter (potential users), with the characteristics of respondents

who indicated no interest whatsoever (called non-users). Significant differences between the two groups provided insights on how product development and marketing initiatives can be tailored to meet the needs of this potential user group.

Potential users tend to take longer vacations, stay longer in British Columbia, and tend to be more action-oriented in describing the major reason for their vacation. Potential users are more likely to be on an outdoors or wilderness/adventure trip, and less likely to be visiting friends and relatives, on a touring vacation, staying at a resort or travelling to visit an exhibition (see Exhibit 4.15). To the extent that the non-resident tourism market can be divided into passive and active segments, the potential user is clearly in the active market segment and appears to be prepared to purchase a sport fishing product together with other outdoor recreation activities. In short, the potential user appears to invest more time in his/her vacation.

EXHIBIT 4.15: DISTRIBUTION OF RESPONDENTS BY TRIP DESCRIPTION/PURPOSE (%)

	Very Interested In a Fishing Charter	Not at All Interested In a Fishing Charter
To Visit Friends and/or Relatives	29.0	31.5
A Touring Trip	31.0	34.6
A City Trip	5.5	6.5
An Outdoors Trip	17.1	9.0
A Wilderness Adventure Trip	4.2	0.6
A Resort Vacation	3.6	6.8
A Cruise	5.2	5.3
To Visit a Theme Park	1.1	0.8
To Visit an Exhibition or Special Event	1.6	4.1
Other	1.6	0.8
	100.0	100.0

Source: Visitors '87

Comparing the fishing charter responses against the degree of interest in other product areas provides additional information on whether fishing products can be packaged with other travel products. Compared to non-users, potential users displayed much greater interest in guided hiking tours; attending an amusement park; whale watching; visiting the Queen Charlotte Islands; visiting a gambling resort; staying at a guest ranch; and white water rafting. In contrast, potential users have less interest in a city tour and potential users and non-users have about the same interest in attending live theatre or a concert, in a winery tour, and in a heritage tour. In general then, when compared against the non-user, the potential user is interested in a larger number of product areas, especially more action-oriented products, and apparently is attracted to British Columbia by the wide range of product offerings provided by the province.

Potential users differed from non-users in other important respects. They were more likely to be on their first trip to British Columbia, to be on business, and to be interested in visiting British Columbia in the spring, fall and winter. Potential users were more likely to be male (although it is significant that 46% of female respondents stated an interest in participating in a fishing charter), and to be from Alberta, and Washington. (Exhibit 4.16). Potential users were less likely to have British Columbia as their main destinations.

EXHIBIT 4.16: DISTRIBUTION OF RESPONDENTS BY ORIGIN/COUNTRY OF RESIDENCE (%)

	Very Interested In a Fishing Charter	Not at All Interested In a Fishing Charter
Alberta	19.4	15.5
Ontario	1.4	1.5
Other Canada	7.6	6.0
Washington	19.0	17.6
Oregon	8.7	8.6
California	12.8	14.1
Other Western U.S.	13.0	12.1
Other U.S.A.	7.1	7.0
International	11.1	17.6
- West Germany	1.4	1.6
- France	0.6	0.4
- England	1.7	3.1
- Australia	1.4	1.9
- New Zealand	0.8	0.1
- Japan	1.4	2.8
- Hong Kong	1.1	1.5
- Taiwan	0.6	0.1

Source: Visitors '87

Respondents were also asked which countries/destinations they were likely to visit over the next two years. More potential users than non-users indicated an interest in taking their next vacations in Alberta, Alaska, Washington, and Australia/New Zealand. These results may provide a partial guide to possible competitors to the British Columbia sport fishing lodge/resort industry. In general, the potential user segment is generally closer to British Columbia -- the international share for potential users is significantly below the share for non-users (Exhibit 4.16) -- and appear to travel shorter distances on their holidays. This is consistent with the view that the fishing lodge/resort industry largely serves the short-haul, not the long-haul market.

Potential users tended to place greater reliance on and trust in travel information in making their travel plans. Compared to non-users, more potential users found brochures in the

mail, radio or TV ads, newspaper or magazine ads, travel agent recommendations, and information from friends, to be useful in making their travel decisions. Accordingly, compared to the typical traveller, the potential user of fishing lodge/resort products can be more readily influenced by travel information in the media and from travel intermediaries.

Respondents also were asked what words came to mind when they think of British Columbia as a vacation destination. With a few exceptions, the responses of potential users were not markedly different from non-users. The major exceptions were that potential users more often noted British Columbia's beauty, cleanliness, wilderness and of course the province's good fishing.

In terms of demographics and economics, the potential users did not differ sharply from the non-user group. Differences in age and party size were not consistent. More potential users indicated they had household incomes of $60,000 or more but proportionately fewer were in the $40,000 to $59,000 range. Potential users therefore tend to have somewhat higher incomes but the difference is not substantial.

In general, the Visitors '87 results suggest that in many respects the future purchaser of a fishing charter does not differ markedly from the typical British Columbia tourist with respect to their interest in a wide range of outdoor activities, not just sport fishing. The evidence suggests that the boundaries between sport fishing and other outdoor recreation activities are perhaps becoming less distinct.

4.5 Travel Influencers Perspective

Approximately 50 wholesalers in North America were interviewed. Of those interviewed, 25% currently sell fishing packages to British Columbia, mainly packages to saltwater operations. These wholesalers were responsible for

approximately 2,700 person trips to (primarily saltwater) British Columbia sport fishing lodges and resorts in 1987.

4.5.1 Growth of Sport Fishing

The travel influencers who actively promote sport fishing trips in British Columbia indicated an average increase of 12% in their business per annum. Further, these respondents felt that the sport fishing aspect of the travel business was growing faster than other aspects of the travel business.

The growth in sport fishing was due largely to the increasing affluence and size of the population aged 35 years and over. British Columbia's wide-open spaces, scenery and quality and quantity of saltwater fishing were viewed as key determinants in attracting this market. However, wholesalers expressed several areas of concern with respect to the British Columbia sport fishing industry.

4.5.2 Strengths and Weaknesses

As indicated in the preceding section, the strengths of the British Columbia sport fishing industry include quality and quantity of saltwater fishing. Travel influencers also commented on the superior facilities and accommodation of certain lodges and on the friendliness and expertise of operators and their staff. The convenient airline service and connections into Vancouver and the improved service at Canadian customs were also mentioned as positive attributes of the sport fishing industry in British Columbia.

However, several weaknesses in the sport fishing industry were highlighted throughout the discussions with wholesalers. These weaknesses fall into four general categories:

- professionalism of lodge operators
- marketing of British Columbia products
- continued quality and quantity of saltwater fishing in British Columbia

- pricing of the British Columbia product.

Wholesalers who are actively promoting sport fishing in British Columbia and those interested in promoting sport fishing in the Province, emphasized inadequate marketing of the industry. Wholesalers felt that both the travel industry and clients were poorly informed about the British Columbia product. Moreover, marketing materials that were available were not effectively targeted either to the client or the travel industry.

The non-professionalism of lodge operators in their relationship with the travel industry was emphasized repeatedly. Tour wholesalers have had negative experiences in trying to work with many of the British Columbia lodge operators. Wholesalers will arrange trips and put together brochures just to have their services bypassed the next year. Moreover, lodge operators are very unwilling to pay a commission to wholesalers. Wholesalers feel that the sport fishing lodge/resort industry would improve their sales by working more closely with the travel industry.

The wholesalers expressed concern over the diminishing supply of saltwater fish due to the conflicts with commercial fishing. In addition, recent legislation controlling the number of fish a client can catch will negatively affect the wholesale business, and ultimately the business of individual lodge operators. The wholesalers perception is that the quantity and quality of fish in British Columbia is a key element for attracting clients.

Finally, wholesalers also mentioned that the pricing of the British Columbia product is higher than other North American products. It was felt that only a few of the lodges in British Columbia offer the quality product that their clients are looking for.

4.5.3 Description and Expectations of the Target Market

Those wholesalers currently selling the British Columbia fishing product described the largest markets as:

- affluent urban professionals;
- males, aged 35+;
- both avid sports fishermen and general sportsmen interested in fishing.

These clients are looking for:

- quality accommodation, equipment, food, and service;
- 3 to 5 day packages
- all inclusive packages;
- lots of fish and most often saltwater fish;
- a full day of fishing close to the lodge.

In addition to this key market sector, several smaller market sectors were also identified and include:

- couples 45+
- families
- corporate clients.

Expectations varied depending on the sector. For example, couples and families are interested in activities in addition to fishing. Corporate clients require meeting facilities and business services on-site in addition to fishing. Several of the lodges in British Columbia are targeting these sectors. Most often the market for the British Columbia sport fishing industry is drawn from the Pacific northwest and Texas. However, there are pockets of clients in the southern, eastern and north central United States as well as in Eastern Canada. Although wholesalers also sell packages to clients from Western Canada, generally these clients are not as up-scale as United States clients and are looking for a more affordable fishing vacation. These clients are also most often males in the 45+ age group. However, there has been a recent trend towards large mixed groups interested in two or three days of fun fishing.

4.5.4 Competition and the British Columbia Sport Fishing Industry

The competition for the British Columbia fishing product varies according to market sector. The largest market sector is the male urban professional for which the Alaska product is British Columbia's key saltwater competitor. Alaska offers comparable fishing and, according to the wholesalers interviewed, the Alaska product and the professionalism of the lodge operators are often superior to the British Columbia product and operators.

4.5.5 Potential New Markets for the British Columbia Sport Fishing Industry

Two potential new market segments were identified through discussions with travel influencers. These potential markets include:

- conference market;
- overseas market.

Currently several conference planning organizations are offering fishing packages as part of a conference package. Generally this market is interested in a one or two night trip before or after the conference.

The second potential market is the overseas market. Three overseas wholesalers currently selling fishing trips to British Columbia participated in our survey. The expectations of their clients are very different from the expectations of North American clients. For example these clients may require Japanese or German speaking guides. With respect to the lodges, the Europeans are looking for non-structured days and wide open fishing spaces. Europeans can fish in Europe but do not often have the wide open spaces we have in British Columbia. In addition, if overseas clients travel to British Columbia to fish they want to be able to catch a significant number of fish. Limits on the fish they

can catch will significantly affect their interest in British Columbia.

4.5.6 Opportunities for Improvement and Growth in the British Columbia Sport Fishing Industry

According to the wholesaler data, wholesalers are stating that the weaknesses in the industry to be addressed include:

. More effective marketing to the travel trade and potential clients. Market techniques should include advertising in specialty fishing magazines, business magazines and general holiday brochures about British Columbia[1];

. Encouraging and training lodge operators to work more closely with the travel industry;

. Researching opportunities for development of new markets;

. Resolving the conflict between commercial and recreational fishing;

. Reviewing catch limit legislation.

4.6 Implications For Marketing Initiatives

The market analysis results have a number of implications for the marketing initiatives for the fishing lodge/resort industry in British Columbia.

1. The British Columbia sport fishing product message communicated through regional rather than vertical marketing, has been diluted.

2. The saltwater lodges are perceived in the market place as a distinct product and the operations have been very successful in marketing this product to long haul fly-in markets (California).

3. The freshwater product is not well defined and the product is more successful in reaching the short haul, drive-in market.

4. There is no consistency from one operator to the next throughout the industry in the pricing of packages and services. Lack of consistency confuses clients (especially potential users who are not familiar with the industry) and mitigates against collective and industry-wide (vertical) marketing. Saltwater operators are more advanced in their packaging than freshwater operators. The users want all inclusive packages and 39% of the operators do not package their product.

5. The saltwater lodges are very successful in penetrating the high end of the market, 45+, male, living in California. This market will bear the high package costs, and demands quality accommodation and excellent service.

6. The quality of saltwater and freshwater operations to the corporate market is very important. This market requires special attention and needs to be assured of quality facilities and service.

7. Users indicated the hospitality, "great guides", friendliness and service were the highlights of their visit. All of these features could be brought out in the marketing materials. Currently, many brochures illustrate numerous dead fish on the dock or the smiling angler holding up his catch.

8. The past guest is the best marketing tool. It is important that they go away satisfied and tell their friends about the trip. The past guest can also be used as a marketing tool to reach new potential users.

9. The saltwater operators are very successful in marketing their product and allocate 5% of gross revenues to marketing. They have recognized the importance of direct contact with the market and travel in the winter to their existing and potential markets. Freshwater operations spend relatively less on marketing and rely on print material to reach their markets. Several of the freshwater operators cannot be reached by telephone during the winter when the potential user is interested in booking. Although this was not measured, it is assumed that potential bookings are being lost.

10. The mid U.S., North and South is a potential market that has yet to be reached. This is a market for the freshwater operations to develop. However as indicated earlier, their product needs to be more clearly defined before long-haul markets can be targeted.

11. Overseas markets such as Japan and Germany are potential long term markets. These markets are typically very difficult and expensive to capture. Travel contacts within these countries as well as guides who speak their languages are required.

12. Potential users include more general recreationists who may be prepared to add a 2 to 3 day fishing package to their British Columbia vacation. This market also could be interested in one to two day "party boat" charters (6-10 people) provided by lodges and resorts. The potential user market described in section 4.4 can be tapped in part through the more general tourism promotion campaigns of the two governments. Travel intermediaries could also play a role in reaching this market.

13. The industry makes little use of travel wholesalers and retailers and when they do uses them ineffectively. The industry in the future may need travel intermediaries to

penetrate new markets and maintain their client base in light of the ageing of their current clientele.

14. The existing and potential users of the sport fishing lodge/resorts are very sensitive to resource conflicts and fishery management/regulations.

15. The sport fishing industry is experiencing growth and our findings indicate that interest in sport fishing is increasing.

FOOTNOTES -- CHAPTER FOUR

1. A wholesaler in Chicago placed a one half page advertisement on one lodge in his newsletter. He had 18 bookings as a result of this advertisement.

5.0 CHARACTERIZATION OF OPERATIONS

5.1 Introduction

The purpose of this chapter is to bring together the product and market information in Chapters 3 and 4 to assess the typical or average lodge and resort under five categories. The number of operations in each category are indicated in brackets.

1. Larger Saltwater Operation with Gross Revenues of more than $500,000 (18)
2. Medium Scale Saltwater Operation with Gross Revenues of $100,000 to $500,000 (13)
3. Larger Freshwater Operation with Gross Revenues of About $500,000 or more (5)
4. Medium Scale Freshwater Operation with Gross Revenues of $100,000 to $500,000 (17)
5. Small Hobby-Type Freshwater Operation with Gross Revenues of Less Than $100,000 (78)

It was suggested at the end of Chapter Three that this five part breakdown should be employed in formulating product and market development initiatives for the industry. The analysis in this chapter focusses on the typical operation in each category. Efforts are made to ensure that the findings cannot be identified with a particular property. This is done to preserve commercial confidentiality. There are relatively few freshwater facilities with gross revenues over $500,000, and therefore this analysis includes some other freshwater properties with revenues which are approaching the half million dollar level. Because there are only four saltwater properties with revenues of less than $100,000, this potential sixth category has not been subject to separate analysis. However, the available evidence suggests their characteristics and problems do not differ greatly from the smaller saltwater properties.

In characterizing each property type, an attempt was made to isolate those features which make it distinct from the other categories and the industry as a whole and to identify the factors important to the financial performance and success of each property type. The reader should recognize, however, that the term "successful" is subjective and that measures of financial performance important to a larger property may not be relevant to a very small operation. Virtually all of the operations in the data base have been successful to some degree given that they have been in business for some period of time (most for quite extended periods).

5.2 Saltwater Operations with Gross Revenues of Over $500,000

The large saltwater operations provide a high quality upscale fishing experience which is nationally and internationally competitive. The fishing, facilities, services and amenities are top quality across the board, and sport fishermen are prepared to pay up to $500 per day to enjoy the experience. Packages are all inclusive and most facilities provide full guiding services. The user can choose from two types of saltwater operations. Operations on Rivers Inlet, islands north of Campbell River and in the Queen Charlottes offer exclusive high quality fishing at a remote location. The Campbell River and Barkley Sound areas provide similar quality but are more accessible to Vancouver, Victoria, and the major U.S. centres on the West Coast.

The typical operator has been in business for about ten years -- comparatively few operations are more than twenty-years old -- and the operation concentrates on fishing. Other outdoor activities often are available but operators prefer to have their rooms filled by sport fishermen who are prepared to pay top dollar for quality fishing. All 18 provide salmon fishing but most as well offer ling cod, rock fish and halibut. Fifteen of 17 expressed concerns that the amount of sport fishing activity in their area has increased over the past five years. In light of the substantial

investments these operators have made in their facilities, increased sport fishing activity in their areas would be viewed with considerable concern.

All 18 operations are seasonal and generally operate from May to September or October. The typical saltwater lodge with gross revenues of $500,000 or more has a dining room, lounge, private bath and other amenities (such as hot tubs and jacuzzis) for the exclusive use of their guests. Fifteen of 18 operators sell only fishing packages and only one bases their business on the sale of individual services.

These operators have a diversified market in terms of visitor origins. British Columbia accounts for less than 20% of their clientele and Washington, California and Alberta constitute their most important origins for visitors. As well, compared to the rest of the industry, the large saltwater facilities attract more visitors from the rest of Canada, the mid-western U.S. and the U.S. east coast. North Americans appear ready to travel great distances to enjoy British Columbia's coastal fishing. However, visitation from Europe and Asia is negligible, consistent with other evidence that sport fishermen from these continents prefer freshwater over saltwater fishing.

Marketing therefore does not appear to be targeted on a geographic basis. The targeting instead is on groups, especially males who comprise 80% of group visitation, the corporate market, and market niches developed by specific facilities in geographic markets. The majority of visitors are in the 35-54 age group and most of the remainder are over 55. The operations are dependant on repeat visitation (63% of their clientele) and four-fifths are pre-booked prior to the opening of the season. Over 90% of the guests are booked through direct booking, and 8% through a travel agency. Use of wholesalers is very limited. In marketing their product, these operators typically focus on the high quality fishing,

top quality service, and the exclusive nature of their resorts.

The typical large saltwater lodge spends close to $100,000 per year on marketing and promotion -- compared to average gross revenues of about $1.6 million per property -- and employs a wide range of marketing and promotional instruments. The most popular instruments are brochures, promotional trips, trade shows, newspaper ads, consumer shows and direct mail. Word of mouth is perceived by operators as the most effective promotional instrument followed by direct mail. Many operators meet with their clients during the winter to promote repeat visitation and generate new clients. Their advertising dollars are largely directed towards their current markets, particularly Washington and California. Marketing within British Columbia constitutes less than a fifth of their advertising budget and the large saltwater operators conduct virtually no advertising in Asia and Europe.

The available evidence suggests the large saltwater lodge with over $500,000 in gross revenues is a highly successful business venture. With comparatively few exceptions, occupancy rates exceed 90% in the peak season months, (the May to October average is about 80%), operators are making significant capital expenditures to maintain and upgrade their properties, revenue per dollar invested is well above the industry norm, and the facilities apparently are generating reasonable profits for their owners. These operations serve on average about 1,600 guests per year and the average length of stay is about three nights. Gross revenues per client exceed $350 per night. These in short are the "Cadillacs" of the British Columbia fishing lodge/resort industry.

The large saltwater operators are generally confident about the future. Fourteen of 18 expect their business to grow in 1988. Lack of government support was seen as the major

constraint to growth but this was raised as a key concern by less than one-third of the operators in this category.

5.3 Saltwater Operations with Gross Revenues From $100,000 to $500,000

The operators in this group are in many respects a scaled down version of their larger saltwater counterparts. Prices are moderately lower and while packages may be advertised as all-inclusive, there can be some hidden costs to the user. The operators charge up to $300 per night but this classification also includes some new saltwater resorts which offer quality accommodation and fishing but fewer amenities at a modest price of perhaps $125 per night. The latter are essentially "Air and Bed packages" where fishermen are left on their own to do their own cooking.

Compared to their larger counterparts, the medium scale operations are smaller, have fewer rooms and therefore can be more exclusive. This can be a selling point to corporate clients. Corporate groups are able to take over the total lodge for their exclusive use. While smaller in size, these medium scale operations still provide a high quality product and are full business ventures (not hobby type operations).

All but one of these thirteen properties were established in the past 20 years, nearly all concentrate on sport fishing (while providing some opportunities for other outdoor activities), and all 13 operate on a seasonal basis (typically June to October). The species fished by their guests are similar to the large saltwater properties. Most but not all of these properties have a lounge, restaurant/dining room and private bath, but other amenities are quite limited, especially when compared to the larger saltwater operations. Nine of 13 properties in this classification sell only fishing packages.

Compared to the large saltwater properties, the medium scale facilities sell more to the British Columbia market and somewhat less to Washington and California. Visitation from the rest of the U.S., Europe and Asia is low. Similar to the larger facilities, the market profiles for the medium scale properties do not display a sharp geographic focus. Seventy-three percent (73%) of their clientele travel to the facility by air (compared to 90% for the largest facilities), and groups, largely males, make up most of their clientele. Compared to the larger operations, younger people under the age of 35 comprise a larger number of their clientele, suggesting that younger, less affluent people are attracted by their more modest prices. In this regard, these medium scale operations play an important role in introducing saltwater fishing to younger people. Repeat visitors make up 65% of their patronage and nearly 90% of their guests are pre-booked prior to the opening of the season. Over 90% of their guests are booked through direct booking and the remainder through a travel agent.

A typical medium-scale saltwater lodge spends nearly $20,000 a year on marketing and promotion (compared to average gross revenues of about $290,000 per property), directs 30% of their advertising dollars to the British Columbia market and another 40% to Alberta, Washington and California combined. Virtually no advertising is done in the U.S. mid-west and East Coast, and in Europe and Asia. The most popular forms of advertising are brochures, promotional trips, trade shows, word of mouth, and direct mailing. Word of mouth followed by trade shows are perceived by operators as the most effective forms of advertising. Some of the features emphasized in marketing include:

- affordable trophy salmon fishing
- comfortable barge accommodation
- large trophy salmon
- wilderness experience
- heritage hospitality
- all inclusive, guided fishing on a private island.

Marketing themes vary depending on the facility.

These 13 properties display great variation in their operational and financial performance. A few are virtually fully booked through the entire season, others are achieving occupancy rates of 85-100% in the peak season months, while still others are displaying occupancy rates of 70% or less even in the high season (July to September). The May to October average across all properties is about 60%. Gross revenues per client average about $300 per night across the 13 facilities.

By and large, the operations with higher occupancy rates appear to be profitable, earning good revenues relative to their capital stock, and making fairly substantial capital expenditures on facility maintenance and improvements. As would be expected, the operators with lower occupancy offer a less favorable picture of financial performance. In some but not all cases, revenues are low compared to operating and capital costs -- suggesting below average profitability -- and capital expenditures are low compared to the accumulated capital stock. A minority of the operations among the medium scale saltwater fisheries -- perhaps about a quarter -- could encounter some financial difficulties in the near to medium term.

Similar to the large saltwater operators, the medium scale operator is confident about the future, as 12 of 13 expected their business to grow over the next year. In keeping with their modest scale, capital financing was seen as the most important constraint to business expansion, but this was cited by only 3 of 13 operators in this category. In general, similar to their larger colleagues, the medium-scale operators did not appear to be seriously concerned about constraints to future growth.

5.4 Freshwater Operations with Gross Revenues of About $500,000 and Up

The typical large freshwater operation is a fly-in facility in a remote, northern location and provides a remote fishing experience which in some respects is comparable to the experience provided in Yukon and the NWT. The facility is seasonal, generally operating from June to September and provides from 50 to 100 beds in lodges or cabins. These are full-service operations, providing a lounge and dining room for the exclusive use of their guests. Most have been in operation for 20 years or more. These fly-in operations largely offer lake and river fishing, but other outdoor activities associated with remote locations -- hunting, hiking, trail riding, and canoeing/kayaking -- are also available to their guests. The major species offered from the remote locations are lake trout, rainbow trout, steelhead and Dolly Varden.

All services are packaged and the avid fisherman is willing to pay a substantial price for a high quality fishing experience in a remote location. Prices per day for all-inclusive packages generally are in the $400-$500 range and many packages are for up to 7 days. Guests are generally from outside the province, in many cases from the U.S. West Coast down to California, and one or two operators have substantial visitation from Europe. Sport fishermen travelling great distances to fish do not mind paying top dollar for a quality experience. The clientele is 70% male who often travel in groups and most guests are between 35 and 54 in age. The typical large freshwater operator depends to a significant degree on repeat visitation and the vast majority of his guests (80% plus) are pre-booked prior to the start of the season. Direct booking is the normal way to arrange a trip to these fishing lodges.

The operators market quite heavily with advertising budgets in the range of $20,000 to $30,000 per facility, and use a

wide range of promotional avenues, including brochures, magazine ads, consumer shows, and direct mail. Most operators in this classification believe word of mouth provides the best results. All of them stay in touch with past guests through direct mailing but few participate in collective marketing programs. The wilderness experience, remoteness, and trophy fishing are emphasized in their advertising. In terms of geographic focus, the typical large freshwater operator concentrates on his current markets: California and Washington.

Fishermen are prepared to pay a high price for a remote experience and therefore the operators are seriously concerned about losing their remote and exclusive character through encroachment by logging, a new road being built to their lake, or through too many casual anglers fishing on "their" lake. If the wilderness and remoteness are taken away, the American sport fishermen will turn to alternative destinations such as the NWT and the Yukon.

Some freshwater fly-in operators have made substantial investments in their facilities but in some cases financial performance may not be commensurate with the capital outlay. While one or two of the larger freshwater facilities are fully booked during the season, occupancy rates of 40-70 percent appear to be more frequent, revenues generally are a small fraction of the total capital stock, and capital expenditures in some cases do not appear sufficient to maintain the facilities at current standards. The long-term financial health of this small segment of the British Columbia fishing lodge/resort industry appears questionable. Most expected their business to expand in 1988. However, expansion over the longer term will depend on preserving the wilderness experience, maintaining freshwater fish stocks, and greater promotional efforts both by the operators and government.

5.5 Freshwater Operations With Gross Revenues of $100,000 to $500,000

These facilities typically have gross revenues of $100,000 to $300,000 and attempt to offer a quality fishing experience at a modest price. Most guests (63%) drive to the lodge/resort and the facilities cater to short-haul markets. About one-half of the facilities have been in operation for over 20 years and close to half do not own the land on which their operation is located. Some operations therefore have aging plant and equipment but do not have the tenure and security needed to support capital investment. Only 4 of the 17 facilities operate year-round and the typical season is from May to October.

More than 50% of the medium-scale saltwater facilities are defined as multiple product operations and therefore derive more than 10% of their business from activities other than sport fishing. While mainly catering to the sport fisherman, the operators appear to be attempting to diversify their product mix through offering canoeing/kayaking, hiking, wilderness excursions, hunting, swimming, nature observation/photography. Three or four are also offering wintertime activities. However, while these operations are attempting to diversify their product offerings, their low occupancy rates would suggest these efforts so far are meeting with mixed success. The facilities and services on the property are designed to cater to the basic needs of the sport fisherman. Only about one-half of these properties have a restaurant or dining room, only a quarter have a lounge, and other more up-scale amenities are limited. Compared to the larger facilities, the medium-scale freshwater facilities depend more on the sale of individual services than on packages. Only a quarter offer only packages.

Rainbow trout are available in virtually all of these facilities, while kokanee, lake trout and Dolly Varden are

also important species. About one-half of the operators expressed concerns about the advances in sport fishing activity in their areas over the past half decade.

Compared to the larger freshwater facilities, the medium-scale facilities cater more to British Columbia markets (26% of clientele), and to other short-haul markets such as Alberta and Washington. However, in addition, about 5% of the clientele is from Europe (compared to very limited visitation to saltwater properties from European countries). Compared to larger facilities, medium-scale freshwater facilities cater more to families and couples than to singles and groups. Groups comprise only 30% of their clientele. Their clientele tend to be older, with 80% of their guests over the age of 35 and 30% older than 55. Repeat visitors account for about 60% of their business and less than three-fifths are pre-booked before the season opens (compared to about four-fifths for larger facilities). Close to 90% of guests are booked through direct booking and the remainder are divided between wholesalers and travel agents.

A typical medium sized freshwater lodge spends about $10,000 per year on marketing compared to average gross revenues of about $140,000 per property. One-third of the advertising budget is spent on British Columbia markets and much of the remainder is spent on the short-haul markets of Alberta and the U.S. West Coast. Promotion in Asia and Europe is negligible. The most prominent forms of marketing and promotion are brochures, magazine ads, the Accommodation Guide and word of mouth, and operators are in general agreement that word of mouth by far provides the best results. In marketing their product, these operators emphasize the wilderness setting, outdoors, service and hospitality, with significant variation between facilities.

The financial performance of these medium-scale operations generally is not encouraging. Occupancy rates from May to October range from 30% to 70% and average approximately 55%

over this period. Based on accommodation norms for the industry in general, these rates could be too low to support a financially profitable operation.

Consistent with this, gross revenues generally are a fraction of the total capital stock -- ratios of 15-25 cents of revenue per dollar of accumulated capital investment are fairly common -- and capital investment often is too low to maintain the capital stock at current levels. Gross revenues per client night are less than $40. We were able to identify four or five medium-scale freshwater operations which are doing better than the norm. These are enjoying occupancy rates of 80% plus during the peak seasons and a few are charging their clients better than $100 per night. In general, however, the available evidence suggests the long-term financial health of the medium-scale freshwater operations is questionable.

Nonetheless, the operators generally are confident about their future prospects. Better than 80% believed their business would grow over the next year. Natural resource constraints were cited as the major limitations to future business expansion, but in general this respondent group did not identify too many serious limitations. Assistance or changes needed to improve business prospects included changes to government regulations and access to loan financing.

5.6 Small Freshwater Operations With Gross Revenues Less than $100,000

These operations provide basic fishing services in a rustic setting. Many owners appear to operate their facilities as a hobby, as a second residence or to supplement their income. The evidence suggests that few generate sufficient revenue and net income to provide a full salary to their owners. While all 78 operations in this grouping have some form of accommodation, about 75% of their guests are accommodated in trailer sites.

Nonetheless, the importance of these operations to the British Columbia fishing lodge/resort industry should not be ignored. As described in the previous chapter, operations with gross revenues below $100,000 (nearly all of which are freshwater) account for significant proportions of the facilities, clientele and employment in the industry.

Nearly 70% of these establishments have been operating for over 20 years, and only 15% have been established in the past 10 years. Plant and equipment therefore are aging and maintenance costs must be climbing. Better than a third are multi-product facilities (as defined for this analysis) and many are attempting to diversify their product offerings in an apparent attempt to capture new markets. The low occupancy rates cited earlier suggest their success to date has been limited. While providing basic fishing services, comparatively few have dining rooms, restaurants, lounges and other amenities on the property. Packages are sold by less than one-half of the properties.

These small operations largely focus on the British Columbia market, with local people (at 17%) and the rest of the province (28%) comprising nearly 50% of their clientele. Alberta and Washington are the next most important origins for visitors, while European guests at 8% constitute a small but measurable proportion of their market profile. All but 15% of their guests arrive at the lodges by car, and families and couples comprise three quarters of their guests. These operators attract a somewhat younger clientele than other resorts/lodges. Less than one-half of their guests are pre-booked prior to the opening of the season and almost all of their guest organize their visit through a direct booking. Compared to other facilities, these smaller operations are concentrating on the transient angler coming from a relatively short distance.

The typical small operator spends about $2,500 per year on marketing, which amounts to about 7% of the facilities' annual gross revenues of $36,000. One quarter of their advertising budget is directed at the local market, another quarter at the rest of British Columbia, and the remainder towards other short-haul markets (Washington, Alberta and California). These properties mainly depend on word of mouth, the Accommodation Guide and brochures to get their message across, and word of mouth is viewed by the vast majority of operators as the most effective form of advertising.

The financial performance of the smaller operations, when viewed as business ventures, is far from satisfactory. Occupancy rates in the peak season months are never above 60% and average less than 50% over the May to October period. Revenues are a fraction of the total capital stock, capital expenditures generally are not sufficient to maintain the property, and revenues per client night average less than $20. The owner may well be operating the facility for lifestyle reasons and therefore the standard financial norms may not be fully appropriate. However, the financial performance of these properties does hold implications for:

- the quality of British Columbia's freshwater product which could diminish through time because of limited retained earnings, lack of access to capital and deteriorating plant and equipment
- the province's reputation for providing a top quality sport fishing experience
- the ability of these owners to maintain their properties up to a reasonable industry standard
- their ability to respond to product and market opportunities as these emerge.

Some of these smaller facilities probably will cease operating over time. Others however may be located on lakes and rivers with significant sport fishing potential or may have developed skills, expertise and a client base which

provide significant potential for growth. Measures are needed to isolate the facilities which hold promise from those which could disappear through time as a result of attrition.

Despite their limited financial resources, close to 90% of these operators expect their businesses to grow over the next year. However, some could be facing serious resource constraints in the future. Close to one-half reported an increase in sport fishing activity in their areas over the past half decade, and a fairly large number (18) reported resource availability as an important constraint to future business expansion. Other problems noted by respondents were high operating costs and access to capital funds, while changes to taxes improved access to loan financing, resource enhancement, and marketing assistance were changes and forms of assistance which they believed would improve their business.

5.7 Implications for Future Initiatives

This analysis further points out the sharp differences between freshwater and saltwater fishing in British Columbia. In terms of prices, financial performance, and the quality of the product, medium-scale saltwater resorts hold more in common with larger saltwater operations than with medium sized freshwater lodges. At the same time, the largest freshwater operations, especially the fly-in lodges, are very different from the rest of the freshwater sub-industry. When compared with the other four categories, their financial performance and prospects rank in between the rest of the freshwater segment and the saltwater facilities.

For the remaining freshwater properties with gross revenues below $300,000, it was difficult to isolate a dynamic/expanding segment of that sub-industry. Most appear to be experiencing low occupancy, low returns from capital investment, and limited financial resources, and limited

access to capital. Within this broad freshwater segment, individual operators may hold promise and could profitably expand their facilities in the future. However, identifying these operators would require analysis of specific operations. This is beyond the scope of the present study and would breach the commercial confidentiality provisions of the survey.

The results in this Chapter suggest that while some differentiation may be needed between the medium and large scale saltwater segments, saltwater to a large extent can be treated as a single industry. Medium and larger scale saltwater operations hold many features in common. Revenue per client night is broadly comparable, market profiles have many similarities, and they have similar resource constraints and resource use conflicts, especially in relation to the diminishing stocks of chinook salmon.

However, the freshwater segment is more diverse and can be divided into at least three segments:

i) fly-in operations which appear to hold considerable promise;

ii) small to medium scale operations which could have long-term potential because of skills and expertise developed through time or a strong resource and/or client base

iii) smaller facilities being operated for hobby/lifestyle purposes which offer limited potential for growth and development.

Separating ii) from iii) will not be easy and will require detailed consultations among government, individual operators and the freshwater industry in total.

To summarize, the findings in this Chapter indicate that the five part industry classification could be a useful tool for formulating market and product development initiatives.

6.0 BRITISH COLUMBIA'S COMPETITIVE ENVIRONMENT AND MARKET NICHE

British Columbia's sport fishing lodge/resort industry operates within a competitive environment generally located in western and northern Canada and the U.S. Evidence assembled from a variety of sources was used to identify British Columbia's main competitors and to assist in focussing on the definition of British Columbia's market niche. Based on the research and interview results, the main competitors include:

- Canada -- Ontario, Manitoba, Saskatchewan, Alberta, Yukon, and the Northwest Territories
- The U.S. -- Washington, Oregon and Alaska

6.1 Context

It is helpful to first summarize the nature of the British Columbia lodge/resort sport fishing industry. This is useful in later comparisons with competitors and in identifying specific market niches for British Columbia.

1. **Marketing the Product**
   - industry marketing efforts generally focussed on mail-out, personal contact and travel show mechanisms
   - although average operator marketing expense (at about 5% of revenues) is consistent with Canadian industry standards, marketing and promotion are identified as key concerns by operators
   - public sector marketing assistance is delivered through regional tourist associations.

2. **Saltwater product**
   - typically large operations offering quality accommodation and full services and facilities
   - locations clustered in specific coastal areas
   - majority of operators within easy reach of major British Columbia urban centers

- repeat visitation (63%) high
- the primary market is groups
- capacity underutilized, with about 1.5 million bed-nights available in the 1987 season.

3. Freshwater Product

- general emphasis on a fishing experience in a scenic/rustic environment
- little emphasis on "trophy" fishing or a world class fishing experience
- users rated the environment setting (86%) more important than the fishing experience (about 20%)
- repeat business (57%) is high
- primary market is families and couples.

6.2 Key Competitors

The identification of competitors to British Columbia's sport fishing product was based on the user survey results and interviews with industry participants and travel influencers.

1. Perspective of Travel Influencers

Travel influencers generally agreed that the British Columbia product is unique in the marketplace. They pointed out that the combination of a British Columbia international class product and its other resources (e.g. superb natural/scenic beauty and urban centers) distinguished it from most other products offered on the marketplace. This perspective, however, must be tempered by the fact that travel influencers are not a major participant in British Columbia's industry. Only 7% of operators employ wholesaler or agent mechanisms for their marketing. In addition, most travel influencers only package the higher quality (and more expensive) products offered in British Columbia.

2. Canadian Competitors

Industry participants and operators identified that the main Canadian competition is from Ontario, Western provinces and the Territories. Each competitor emphasizes a particular feature of the sport fishing experience they offer, as shown in Exhibit 6.1. This emphasis is used as the basis for comparisons to British Columbia's products.

The only competition for the British Columbia saltwater operators, on a fish species basis, is Ontario with its salmon fishing products in the Northern Great Lakes area. Ontario does not consider British Columbia to be a competitor, nor does it consider that it's market is of major interest to British Columbia operators. Distance was cited as a major factor but Ontario representatives also pointed to differences in the fishing experience offered in Ontario.

British Columbia faces significantly more competition in the freshwater areas from the western provinces and territories. All of these competitors promote lodge/resort sport fishing and attract customers from markets of interest to British Columbia operators; the U.S. mid-west and southwestern states. There are, however, certain product and marketing differences which British Columbia can use to advantage in its own marketing.

Manitoba and Saskatchewan both promote trophy lake trout, walleye and northern pike fishing. The fishing enthusiast who seeks only these species is unlikely to be attracted to British Columbia in any case. On the other hand, British Columbia can differentiate itself more clearly from this competition by emphasizing its own distinct fishing experiences (e.g. the steelhead and cutthroat fisheries). This message, aimed at the angler likely to consider alternative fishing experiences, could yield results in the markets now penetrated by Manitoba and Saskatchewan.

The trophy fishing experience is emphasized in Manitoba, Saskatchewan and Northwest Territories promotional literature. British Columbia does not offer comparable products, except for salmon and freshwater species not found in these competitor locations.

The Yukon territory markets a fishing experience quite similar to British Columbia's; high quality fishing in a scenic natural setting. The Yukon Territory, however, emphasizes it's remote, northern location. British Columbia's freshwater product, though similar, is characterized by many accessible, drive-in facilities that can serve to differentiate it in the marketplace.

Alberta offers the greatest competition to British Columbia. It promotes a similar freshwater product (excluding the steelhead and cutthroat fishery) and competes in British Columbia's western U.S. markets.

EXHIBIT 6.1: FISHING EXPERIENCE EMPHASIS BY CANADIAN COMPETITORS

Area	Promotional Emphasis
Ontario	. Great Lakes salmon . General Fishing Experience . Selected Remote Trophy Fish
Manitoba	. Trophy Fish . Remote, Fly-in Fishing Lodge
Saskatchewan	. Trophy Fish . Remote, Fly-in Fishing Lodge
Alberta	. General Remote Fishing Experience
Northwest Territories	. Remote Trophy Fishing Experience . Distinct Species (Grayling)
Yukon	. Remote/Scenic Fishing Experience

Source: Interviews with public and private sector representatives in competitor areas and review of competitor marketing literature.

3. U.S. Competitors

The major U.S. competitors are Alaska, Washington and Oregon. All draw from the same U.S. markets as British Columbia.

Alaska offers a similar product mix (both saltwater and freshwater) to British Columbia, yet government representatives does not consider British Columbia a competitor. (British Columbia industry participants, however, believe that Alaska operators regard British Columbia as a competitor based on interactions with them at

major travel shows.) Alaska emphasizes a remote, wilderness fishing experience, and focuses on the upscale higher market. Their major market is California, with very few customers coming from Canada to Alaska lodges. One of the key competitive advantages for British Columbia is accessibility from the U.S. market, offering the customer a similar experience at less cost.

Washington State, in the saltwater area, offers a similar though much more limited product than British Columbia. The emphasis is not on a world-class experience, but rather a general fishing experience aimed at short-haul markets. With a highly regulated saltwater fishery, Washington hesitates to aggressively market salmon fishing because of fears that the season will be closed. The Washington freshwater product does not match British Columbia's quality, according to Washington industry representatives. Again, short-haul western U.S. markets are emphasized.

Oregon, with 29,000 miles of freshwater streams and rivers and a scenic resource base, offers significant competition in the freshwater sector for British Columbia's U.S. markets. Oregon tourism officials regard their freshwater product as superior but note that British Columbia, in their view, is a major competitor.

Both Washington and Oregon have experienced significant increases in non-resident license sales in the last five years, with California emerging as their major non-resident market.

4. Other Competitive Factors -- The Support Environment

To date British Columbia has not placed a priority on the lodge/resort sport fishing industry as an important vertical product. Thus, British Columbia tends not to support the industry to the same degree as other Western Canadian tourism agencies. They recognize their respective sport fishing

sectors as major vertical products and have developed strong and focussed marketing support structures. They promote the industry with a range of techniques, including:

- fulfillment packages
- direct advertising
- co-sponsorship of travel show attendance
- specialized fishing product brochures
- co-participation at major travel shows
- master angler promotion programs
- 800 information numbers

This level of support significantly exceeds current support levels for the British Columbia industry by the British Columbia Ministry of Tourism, Recreation and Culture. Although this promotion would not necessarily influence the fishing enthusiast seeking species found only in their jurisdictions, it is certain to have some impact on potential customers seeking a more general fishing experience. As some competitor representatives noted, stronger promotion of British Columbia's natural and scenic environment along with the fishing experience could have a significant and noticeable impact on their markets. It is in this area where other western provinces, with the possible exception of Alberta, are weakest.

British Columbia's U.S. competitors are generally less organized and do not receive significant support by state government officials. Industry participants commented that Canadian provinces (including British Columbia) present an aggressive and unified marketing thrust at U.S. travel trade shows that they believe is quite effective.

.3 Competitive Advantages and Market Niche

Through the above comparisons of British Columbia's product and markets to its competitors, several areas where British Columbia has a particular competitive advantage and market niche can be identified.

The Saltwater Fishing Experience. This product is competitively positioned against similar products in Alaska and Washington. The quality of British Columbia's product is generally considered to be much superior to Washington's, based on the quality of the fishing experience itself. Alaska does offer major competition to British Columbia in the U.S. marketplace. The distinguishing feature of British Columbia's product, compared to Alaska's, is that it is less remote and less costly to access (from market origins). The latter point is important in considering specific markets and market niches (such as group or corporate packages).

The Distinct Species Fishing Experience. The steelhead and cutthroat species, together with the natural setting in which they are found, offers a unique product experience and, therefore, a market niche which no other competitor can match.

British Columbia's Natural Environment. The British Columbia fishing experience can be enjoyed in the midst of one of the world's most scenic areas. No other jurisdiction can offer the combination of British Columbia's outstanding natural beauty and relative accessibility to major urban centers and their associated services. It is noteworthy that the Western prairie provinces and to some extent the Northwest Territories recognize their shortfalls in this area and have responded with much more aggressive and focussed vertical marketing (and market support effort) of their fishing experiences.

The market itself places primary importance on this combination of natural scenic beauty and a quality fishing experience. Both the user survey conducted in this study and the 1985 Federal Sport Fishing surveys (tidal and freshwater) provide evidence to support this viewpoint. Resident and non-resident respondents alike identified such factors as "beauty of surroundings", "quality of water" and "access to wilderness" as more important factors affecting their

enjoyment of the fishing experience than the number and size of fish. In this context, the fishing enthusiasts seeking a family-oriented fishing package that is both accessible and offers outstanding natural settings is a potentially significant market niche for British Columbia.

A Quality Fishing Experience. Selected geographic areas within British Columbia offer a world class fishing experience to the true fishing enthusiast. The steelhead fishery is an example where the quality of the fishing experience is considered world-class and competitive with other jurisdictions.

Implications for Product and Market Development

The general overview of the competitive environment described above helps to focus on existing and potential market niches which British Columbia can exploit to advantage. The implications of this overview for product and market initiatives are summarized below.

1. **The Saltwater Fishing Experience**
   - on the product side
     - priorize and protect areas where a world class fishing experience is still available
   - on the market side
     - support marketing of the sport fishing experience with marketing of British Columbia natural/scenic resources
     - emphasize accessibility from market origins
     - emphasize distinctively "Canadian" advantages, to U.S. marketplaces.

2. **The Freshwater Fishing Experience**
   - on the product side
     - consider a more specific product orientation catering to a remote, family-oriented fishing experience

- priorize and protect the distinct species resource base that has international appeal
- priorize and protect the areas in which a world class freshwater fishing experience is still available

. on the market side

- support marketing of the fishing experience with aggressive marketing of British Columbia's natural/scenic resource base
- emphasize the family orientation, particularly for short haul markets
- promote the accessibility of freshwater products.

3. Support Environment

. on the product side

- initiate actions to profile and protect international or world class fishing resources
- encourage product development in areas with outstanding natural/scenic beauty settings

. on the market side

- develop marketing tools which highlight British Columbia's particular market niches
- develop general fulfillment packages related to British Columbia's fishing and scenic resources
- emphasize the advantages of a Canadian vacation to U.S. markets.

7.0 CONSTRAINTS TO INDUSTRY GROWTH

The discussion below describes and assesses industry constraints as perceived by the various stakeholders in each of four areas; product, market, resource base, and the institutional environment. Though each area is considered individually, it is recognized that a successful and thriving industry requires a balanced and positive environment in all areas. For instance, concerns about operational constraints (such as access to financing) are meaningless if the resource base (i.e. the availability of fish) is in an irrevocable state of decline.

7.1 Product Development Constraints

This sub-section focusses on operational constraints to maintaining and expanding the British Columbia lodge/resort sport fishing product. The main source of evidence is the operators themselves, compiled through the operator's survey. To derive information on product development constraints, operators were asked to identify major constraints to growth. Significant differences emerged in the perspectives of saltwater as opposed to freshwater operators. Both showed consensus about the constraint imposed by lack of capital funds and access to financing. For saltwater operators, it was the most frequently mentioned operational concern. The implication here is a desire on the part of the operator to improve and expand facilities. Beyond access to capital concerns, saltwater operators identified non-operational constraints as most important to them.

Freshwater operators, however, identified a far greater range of operational concerns including:

- general operating costs
- taxes/license fees
- lease uncertainties and costs.

Operating costs were the most frequently mentioned operational barriers by freshwater operators, followed by access to capital and tax levels/license fees.

About 35% of freshwater operators lease crown land. For many of these the uncertainties and costs associated with their lease situations were viewed as a major constraint to expansion. Many cited the inability to secure permits for expansion as a major problem facing them.

Supporting evidence of the operational concerns was derived from the operators survey through a question on assistance or changes that government could provide to help the industry in improving business. Here again, operational assistance (loans, tax reductions, better lease conditions) were most frequently mentioned by freshwater operators (36%). Their emphasis on operational constraints is consistent with the profile of the freshwater product as generally aging with little in the way of capital investment in recent years.

Saltwater operators, on the other hand, placed operational concerns far below other assistance areas. A summary of operator perspectives concerning constraints to growth is provided in Exhibit 7.1.

EXHIBIT 7.1: REPORTED CONSTRAINTS TO BUSINESS GROWTH

Item	Fresh (%)	Salt (%)
Resource Pressure	19	15
Operating Costs	14	7
Access to Capital	13	15
Taxes	10	-
Public Access Problems	8	4
Marketing	8	4
Lease Uncertainty/Cost	6	-
Economic Conditions	6	7
Short Season	4	7
Lack of Government Support	2	22
Other	10	18
	100	100

Source: 1988 Operators Survey

2 **Market Development Constraints**

Even though operators devote, on average, about 5% of revenues to marketing, (consistent with industry standards in Canada,) it is viewed by them as a major concern. Both saltwater and freshwater operators cited the need for assistance with marketing/promotion as important avenues to improve business. For saltwater operators, marketing assistance was most frequently mentioned (27%), whereas for freshwater operators it was identified as an area for assistance following programs to improve access to capital, encourage less government regulation (in the tax/license area) and enhance the resource.

The difference and preferences of saltwater versus freshwater operators generally reflects the circumstances of each type; saltwater sport fishing as a high value industry with intense competition; and freshwater operators of generally smaller size with less emphasis on sport fishing.

The industry is significantly underutilized, with an average occupancy rate from May to October of 69% in the saltwater industry and 48% in the freshwater industry. Attention to developing new markets is limited in both the saltwater and freshwater sectors. There is a strong reliance on repeat customers and continued marketing to them. This in itself acts as a constraint, particularly in light of evidence that the market is changing, as shown by the following indicators:

- a trend to shorter stays, according to industry representatives
- predominance of families and couples (68%) in the freshwater sector.

In order to maintain and improve market share, the industry will likely have to seek new markets both in demographic and geographic terms. For instance, in the freshwater sector, the younger urban family, even in short-haul market areas, offers potential that is not now being attracted in large numbers.

7.3 Resource Constraints

Although differing in the specifics, both the saltwater and freshwater operators are extremely concerned with resource pressure and its impact on growth potential. Freshwater operators cited it as the major constraint while saltwater operators placed it second to lack of government support as the major problem facing them. Asked specifically about the most serious resource problems, salt and freshwater operators identified the major resource issues shown in Exhibit 7.2.

Given the significant differences in the resource base, each is discussed separately below.

EXHIBIT 7.2: REPORTED MOST SERIOUS RESOURCE CONSTRAINT

Resource Problem	Freshwater (%)	Saltwater (%)
Need for More Stocking/ Enhancement	25	21
Logging/Other Encroachment	21	8
Low Water/Spawning Bed Damage	16	-
Public Awareness of Resource Pressure	9	29
Public Access	7	-
Overuse of Resource	6	17
Commercial Fishing	6	21
Catch Limit	3	4

Source: 1988 Operators Survey

1. Saltwater Fishing

The primary concern here is the declining resource, brought on by pressure from both sport and commercial fishing. Sixty-three percent of operators identified the declining resource issue, in one form or other, as of major concern. Almost one-third of saltwater operators identified a lack of public awareness about the resource as a major constraint. The declining resource is a major problem and one which has, to date, remained intractable. Several factors underlie this situation:

- intense competition amongst operators and the "fish kill" orientation of many
- competing harvesting by the commercial fishery and independent anglers
- resource management responsibilities shared by different government levels with resultant problems of coordination
- the perceived strength of the commercial fishing lobby and the lack of profile and hence, priority, for the sport fishery.

Discussions with government representatives at both the federal and provincial levels have confirmed the fact that the resource is declining. Salmonid Enhancement Programs and similar resource management activities have been undertaken recently to address this problem.

It is beyond the scope of this study to resolve declining resource and resource use conflicts. It is clear, however, that the industry faces a crisis in resource conflict resolution, from within its own ranks and from outside forces, that merits serious attention. It would appear, based on the evidence, that more effective resource management practice must be followed to provide an environment for the saltwater industry to prosper. At the same time, it is incumbent on industry to consider conservation approaches and incorporate these in their own product offerings. The alternative, and some would argue that it is inevitable, is adaptation by operators of their products to offer less emphasis on the "fish kill" and more emphasis on activities other than the fishing experience. Inevitably, under this scenario, there will be serious adjustment costs.

It must be noted that the major resource conflicts are found in areas of concentrated sport fishery facilities. There is considered to be room for expansion to new areas by both government and industry with the opportunity to offer a more remote fishing experience. However, the general consensus amongst both industry players and resource managers is that stocks are generally declining in the face of increased pressure with little hope for major improvements in the foreseeable future.

2. Freshwater

The concerns expressed by freshwater operators are perhaps more serious, to the extent that the resource management regime does not appear to even consider the sport fishery in

a comprehensive fashion. Whereas the conflicts between saltwater sport and commercial fisheries has the attention of government (although not from a tourism perspective), consideration of the freshwater industry can be said to only be in its infancy.

There is a consensus amongst freshwater operators about issues in the resource area that focus on:

- encroachment by other land uses (logging, mining, agriculture) with increasingly negative impacts on the resource base
- overdevelopment of key rivers and streams
- "uncontrolled" public access through resource based road construction
- catch limit enforcement problems
- low water and spawning bed damage.

The concerns of the industry are echoed in the absence of interior resource management regimes focussed specifically on British Columbia's interior fishery habitat. While there are examples of sector specific resource management plans, (e.g. forestry), the land use permit and crown lease process does not explicitly or, some would argue, implicitly concern itself with the recreational sport fishery. For instance, the permit process for a new fishing lodge on an already developed lake does not include a requirement to consider impacts on the recreational fishery. Similarly, a crown lease to harvest a forested area does not usually include provisions for mitigation efforts related to protecting nearby water bodies. This situation also extends to more immediate impacts. One operator reported difficulty in keeping guests because of the noise pollution from nearby night logging operations. The operator reported that there was no consultation when government issued the permit for night logging.

The situation is of particular concern in British Columbia. In spite of what may be conventional wisdom, the province's interior fishery regime supporting the recreational sport fishery is both limited and fragile. The danger of not having a management plan or process (and accompanying

regulatory regime) related to the recreational fishery is gradual destruction of the resource. The danger from a tourism perspective is found in the investment to support product and market development. The best designed support programs could well flounder due to resource problems.

While it would be virtually impossible to fully overcome the problems associated with low water levels -- another major concern of operators, serious attention should be given to development of a sound resource management regime. British Columbia owns a significant recreational sport fishery resource base, located as it is in areas of superb natural/scenic beauty. The potential for continued contribution to British Columbia's economy, when added to conservation values in and of themselves, behooves authorities to explicitly address this area.

3. Implications for Product and Market Development

The basic focus on this study is on the tourism potential of the lodge/resort sport fishing industry. As such, it cannot, nor was it intended to address solutions to related problems such as the resource management issues described above. However, what can be done is to point to the need for a process to explicitly address the resource management issues and concerns identified by industry and government alike. In the course of so doing, it must be remembered that there are other stakeholders who will be affected by or have a direct interest in the results of such a process. These include the commercial fishing industry, resident British Columbia anglers, the guiding industry, and suppliers to the industry. All of these stakeholders deserve consultation and consideration in a process of discussion and hopefully, resolution of resource conflicts. A balance must be established that is consistent with both the objectives and interests of each stakeholder group and the realities of the capacity of the resource base to sustain those interests.

7.4 Institutional Environment

There is general consensus amongst both operators and government representatives that a stronger partnership supporting their mutually compatible objectives and interests should be pursued. The operator evidence indicates that there is a range of concerns held by both saltwater and freshwater operators that merits discussion and a process of resolution. At the same time, it is recognized by government representatives that a program to support the tourism potential of this vertical market must proceed hand-in-hand with corresponding resource management efforts.

At the present time, the Ministry of Tourism, Recreation and Culture has yet to identify the lodge/resort sport fishing experience as a priority vertical market. This study is, in fact, one step towards determining its potential and the appropriate role that the public sector should play in encouraging industry development. Similarly, and paralleling the tourism situation, the recreational sport fishery has not been specifically incorporated as a land use concern deserving consideration and protection in the general resource management regime now administered by the British Columbia government. This is not to say that the recreational sport fishery goes unnoticed. Indeed, recent British Columbia participation in Canadian Sport Fisheries Conferences augers well for the future. The point here is that the regulatory regime does not specifically consider the industry. This situation has undoubtedly proved to be an indirect constraint to industry growth, given the need for both government and industry to work together to ensure a successful and competitive product.

Just as the regulatory and support environment is not well developed or established, the industry itself has not coalesced around a recognition of mutual problems and issues. In the saltwater sector, it would appear that the only area of consensus is that resource pressure acts as a serious constraint to industry growth and that government and the

general public fails to recognize and understand the importance of the industry.

Given the nature of the resource problems, and for freshwater operators, a range of problems related to operating the facilities, it would appear that an association or lobby group of some form, broadly representative of the industry, would help in providing a common voice through which to work with government. Government representatives point out that an industry voice is essential if they, in turn, are to pursue initiatives in resource management and marketing. The consensus on resource problems is perhaps the one area where industry might choose as a starting point to build cooperation and coordinate their efforts.

7.5 Summary of Implications for Product and Market Development

The constraints identified by industry, together with an assessment of operator survey results, government consultations, and surveys of travel influencers and users, all point to a need to consider initiatives beyond the normal tourism mandate of product and market development. The implications for product/market initiatives are summarized in Exhibit 7.3 by constraint area. It would not be prudent for the Ministry of Tourism, Recreation and Culture to offer substantial incentives and assistance to an industry which faces severe difficulties because of the degradation of the resource base. A balanced perspective and a balanced approach is required that will require leadership by the Ministry from a tourism perspective but also participation by other government departments related to the resource question and stakeholders beyond the industry itself. Therefore, the original mandate for the study -- that of product and market development initiatives -- must be expanded to include resource management initiatives and consideration of the institutional environment as a vehicle for implementation.

HIBIT 7.3: SUMMARY OF CONSTRAINTS AND IMPLICATIONS FOR INDUSTRY DEVELOPMENT

straint Area	Stakeholder	Implications for Product/Market Initiatives
Operational		
Capital Access Tax/License Fees Lease Uncertainties/Cost	. Industry Operators . Freshwater Operators	. Gov't assistance in facilitating access to capital . Assess tax system against impact on operator viability . Review lease management regime to address issues of tenure and costs.
arketing/Promotion		
Marketing Costs Markets	. Industry Operators	. Gov't support in marketing/promotion programs, particularly on vertical market basis. . Joint Public/ Private effort to encourage new market development/improve capture rates from existing markets.
Resource Management		
Declining Resource Base	. Industry Operators (General)	. Initiate program of consultation and public awareness . Determine resource capacity to sustain new development . Shift product emphasis to "conservation" theme . Review and strengthen enforcement regime . Protect/control highest quality sport fishing areas
	. Saltwater Operators	. Initiate discussions to resolve competing harvesting demands.

EXHIBIT 7.3 (cont'd)

	. Freshwater Operators	. Initiate process to consider land use impacts on fishery
		. Control density of development of lodges/resorts
		. Develop mechanisms to maintain and enhance freshwater fishery
	. Industry Operators (primarily freshwater)	. Promote need to protect Province's natural/scenic resource base
- Environmental Degradation		. Develop mechanisms to protect natural/scenic environment in operator locations
		. Recognition of sport fishing lodges and resorts as important industry and vertical market
	. Industry Operators	
4. Institutional Environment	. Government	
	. Industry Operators	. Formation of Industry Associations to work with government
- Lack of Priority on sport fishing	. Government	
- Absence of Industry "voice"	. Industry Operators . Government	. Establish formal co-ordination mechanisms starting with Tourism, Recreation and Culture and Environment and Parks.
- Lack of co-ordination of government mandates affecting sport fishing		

0 ECONOMIC CONTRIBUTION AND IMPACTS

1 Economic Impact Methodology

Economic impacts measure the economic activity associated with cash expenditures. An initial expenditure results in income and employment for direct industry participants, i.e., the company owners and employees. Purchases of goods and services from suppliers and contractors, and their subsequent respending, generate indirect impacts. Induced impacts result from the respending of wage income on consumer goods and services. The sum of direct, indirect, and induced impacts represents the total economic impact.

Economic impact analysis measures the income and employment associated with a given activity, event or project. This type of analysis is generally used to assess the expansionary effects of expenditures on particular geographic areas or industries.

Income refers to Gross Domestic Product (GDP) or value added. Value added is the sum of gross labour returns (wages and salaries) and gross capital returns (depreciation allowances plus interest payments plus pre-tax profits).

The total magnitude of income and employment impacts depends both on the absolute level of expenditures as well as the multiplied effects on the rest of the region. The multiplied effects depend on the economic structure of the region, particularly the import content of goods and services purchased.

Imports, as well as taxes and savings, represent a "leakage" from the regional economy, i.e., money spent on imports is not available for respending within the region. Larger regions have a larger "multiplier effect" since a greater share of input purchases would be made within the region. If

there were no leakages, each $1 of industry revenue would be associated with $1 of direct plus indirect GDP.

Economic impacts are generally considered to be gross impacts since no corrections are made for the possibility that expenditures would have occurred in the absence of the economic activity under study, and for the alternative uses of capital and labour in the economy.

The labelling of income and employment economic impacts as "benefits" is misleading. An income or employment impact in one industry may be counter balanced by income or employment losses in other industries, depending on the level of unemployment in the economy and the need for the expenditures giving rise to the impact. For example, an individual buying a sport fishing "package" may have purchased other goods or services in the province if that package had not been available.

Economic impact analysis, nevertheless, is useful in assessing the regional development and employment generation consequences of an autonomous increase in expenditures. It is most useful in a comparative analysis situation where one can investigate the relative ranking of income and employment associated with a set of activities or industries.

The main information source for this analysis was the survey of sport fishing lodge/resort operators. The 135 operators who were interviewed were asked detailed questions on their 1987 employment, gross revenues from sport fishing and all other sources, client base, wage and salary payments, purchases of non-wage goods and services, total accumulated capital investment up to 1987, and their 1987 capital expenditures.

The operator survey data were used to generate a profile of the industry (section 8.2) and to estimate economic impact. Beyond this survey, very little current information exists

about the size and economic structure of the fishing lodge/resort industry. The data that are available are derived from surveys of sport fishermen conducted by DFO. The surveys indicate that when saltwater and freshwater fishing are combined, residents and non-residents spent $38.5 million on fishing packages in 1985. When it is recognized that many operators in the industry provide only individual services or both packages and individual services, the figure of $38.5 million would appear consistent with our industry estimates in Exhibit 8.1. Accordingly, when fishing services are added to packages, the DFO estimates approach $60 million in terms of 1987 dollars.

However, the reader should realize that the two estimates came from very different surveys which approached the subject in different ways. Close correlation of results would not be anticipated.

The sport fishing lodge/resort industry is very diverse and contains many part-time, seasonal operations having low revenue and employment levels. Many operators rely on students or family members for labour. Therefore, multipliers for this industry would differ from standard multipliers available from Statistics Canada industry aggregates (such as Amusement and Recreation Services). Using the standard Statistics Canada multipliers would give misleading results due to the particular nature of the lodge/resort industry. Consequently, a more disaggregated approach is followed in this study.

The procedure for estimating the economic impacts of the industry is as follows:

- extrapolate (or weight) the operator survey data to derive an economic profile of the industry,
- estimate direct industry impacts from the industry profile (revenues, wages and salaries paid, purchases made, employment) and,

- estimate indirect (supplier-related impacts) and induced (consumer spending) impacts from operator purchases and wages paid, as applied to Statistics Canada economic multipliers for the province.

This process uses the economic structure of the fishing lodge/resort industry.

The relevant interest group is the people of British Columbia. Consequently, value-added, wages and employment accruing to non-residents of the province are excluded. In addition, direct government revenue associated with the fishing lodge/resort industry is estimated. Direct revenue represents personal and corporate income tax.

8.2 Economic Profile of the Industry

Survey data from the 135 sample operations are used to estimate industry revenues, employment, gross purchases, and other indicators of the industry's contributions to the British Columbia economy.[1] The British Columbia fishing lodge/resort industry is defined as the 257 operations identified at the outset of this assignment and used as the universe for the telephone survey. Facilities are retained in the sample and universe if the operation derived at least 40% of its business from sport fishing. Accordingly, firms and operations are classified by their principal activity. Classification by principal activity is consistent with the classification procedures used by government, including Statistics Canada. The total operations of each firm, in terms of revenues, employment, and wages and salaries, are allocated to the industry grouping comprising the firm's principal activity. Therefore, under this system, each firm and establishment is uniquely allocated to one activity grouping. This industry-based approach is very different from the recreational activity approach used in household and angler surveys and estimates from the two approaches cannot be combined.

Exhibit 8.1 presents the industry estimates used in the economic impact analysis to follow.

EXHIBIT 8.1: ECONOMIC PROFILE OF THE BRITISH COLUMBIA FISHING LODGE/RESORT INDUSTRY

	Saltwater	Freshwater	Total
Operations (No.)[2]	51	206	257
Gross Revenues from All Sources ($ Million)	49.0	21.1	70.1
Gross Revenues from Sport Fishing ($ Million)[3]	45.5	19.3	64.8
Client Base			
- Guests ('000)	47.8	130.4	178.2
- Client Nights ('000)[4]	158.4	545.4	703.8
Full and Part Time Employment, by Season:			
- January, 1987	360	210	570
- April, 1987	760	430	1190
- July, 1987	1210	890	2100
- October, 1987	660	600	1260
Employment: Person-Year Equivalent Basis[5]	820	490	1310
Accumulated Capital Investment ($ Million)[6]	57.1	82.3	139.6
Total 1987 Capital Expenditures ($ Million)	28.2	10.1	38.3
Wages and Salaries ($ Million)[7]	15.2	7.3	22.5
Purchases from Suppliers ($ Million)[8]	19.9	8.6	28.5

N.B. Footnotes are at the end of the chapter.

Source: Extrapolated for industry universe from operator sample

Our estimates of the gross revenues of the fishing lodge/resort industry can be compared with the revenues of other outdoor recreation industries.

	1987 Revenues
Fishing Lodges and Resorts[9]	$70 Million
Alpine Skiing[10]	$66 Million
Hunting[11]	$22 Million
Total Adventure Travel[12]	$59 Million
- Heli Skiing	$19 Million
- Cross Country Skiing/Ski Touring	$ 4 Million
- Other	$36 Million

8.3 Provincial Impacts

The fishing lodge/resort industry generates economic impacts in British Columbia in terms of GDP or value added, wages and salaries or labour income, and employment. As well, the industry generates direct government revenues from corporate income tax and personal income tax. These provincial income and employment impacts are estimated in this section.

Impacts arise directly from industry activity, indirectly from purchases made from suppliers to industry, and lastly from the consumer spending of wage income by those directly or indirectly employed in the industry.

Direct impacts represent impacts to the owners and employees of the 257 firms providing fishing lodge services in the province. Employees earn wage income. Employers earn a capital surplus represented by the combined return to capital (interest payments, depreciation, taxes and after-tax profit). The sum of wage income plus capital surplus represents value added.

The $70.1 million in industry revenues comprises:

- $22.5 million in wages paid to British Columbia residents;
- $19.1 million in capital surplus to owner/operators[13]
- $26.3 million in purchases from British Columbia suppliers; and

- $2.1 million in purchases from outside British Columbia.

Accordingly, in 1987, the industry directly contributed $41.6 million in value added to the province, $22.5 million in wage income, and about 1,310[14] person years of employment to the province.

Total economic impacts of the British Columbia fishing lodge/resort industry in 1987 were $89.0 million of value added, $56.6 million of wage income, and 2,560 person years of employment. Total impacts include: the direct industry impacts described above, the indirect impacts from the $26.3 million in purchases from British Columbia suppliers, and the induced impacts arising from consumer spending of wage income by direct and indirect employees. The calculations employed to derive these impacts are presented in footnotes to this chapter.[15,16,17]

The provincial and federal governments receive corporate income taxes and personal income taxes from the fishing lodge/resort industry. The industry is estimated to generate $12.1 million in direct taxes -- $3.1 million to the provincial government and $9.0 million to the federal government.

EXHIBIT 8.2: GOVERNMENT INCOME TAX REVENUE

	Personal Income Tax ($ Million)	Corporate Income Tax ($ Million)	Total ($ Million)
Provincial	2.8	1.0	3.8
Federal	6.2	2.1	8.3
Total	**9.0**	**3.1**	**12.1**

The capital expenditures made by the industry in 1987 also contribute to the economy. Exhibit 8.1 estimates that

capital expenditures by fishing lodge and resort operators totalled $38.3 million in 1987. Applying multipliers for the British Columbia non-residential construction industry provides the following impacts from these capital expenditures:

Gross Domestic Product/Value Added	$34.7 million
Wage or Labour Income	$23.3 million
Employment (Person-Year Equivalent)	670

8.4 Regional Impacts

Sport fishing activities occur away from major urban centres for the most part. Consequently the industry has the potential to increase regional output of goods and services, thereby facilitating economic development. In this section regional impacts of the industry are addressed.

The Province of British Columbia has designated nine tourism regions. The operator survey requested the operator to indicate the region in which his/her lodge or resort is located according to the tourism region categories. Exhibit 8.3 indicates the region of operation of the sample facilities and the total universe, as well as our estimates of gross revenues by region. In order to preserve commercial confidentiality, regions with less than ten sample operations are grouped together. As noted earlier, most sport fishing lodge activity occurs in four regions, two coastal regions and two in the Interior.

EXHIBIT 8.3: OPERATIONS AND GROSS REVENUES BY REGION

	No. of Operations Sample	Universe	Estimated Gross Revenues ($ Million)[19] Sample	Universe
Vancouver Island	27	46	27.9	43.9
High Country	36	77	2.7	5.4
Cariboo	40	69	5.9	9.4
North by Northwest	22	44	3.9	7.2
Other Regions[20]	10	21	2.2	4.2
Total	135	257	42.6	70.1

Regional impacts for the industry are presented in Exhibit 8.4. The figures are order-of-magnitude estimates derived by prorating the provincial impact measures provided in the previous sub-section.[21] The estimates provide a rough guide as to the total (direct plus supplier related plus consumer spending) regional impacts of the fishing lodge/resort industry.

EXHIBIT 8.4: REGIONAL ECONOMIC IMPACTS OF THE FISHING LODGE/RESORT INDUSTRY IN BRITISH COLUMBIA, 1987 ($ MILLION)

Region of Impact[6]	Gross Revenues	Direct Value Added	Total Impacts[a] Value Added[22]	Wage Income	Employment[c]
Vancouver Island	43.9	26.0	47.0	29.9	1,350
High Country	5.4	3.2	5.1	3.2	140
Cariboo	9.4	5.6	7.0	4.5	200
North by Northwest	7.2	4.3	7.2	4.6	210
Other Regions	4.2	2.5	22.7	14.4	650
Total	70.1	41.6	89.0	56.6	2,560

a Direct, indirect plus induced impacts
b Revenue from sport fishing lodges/resorts within the industry
c Person-years of employment

The other regional grouping included Southwestern British Columbia. This grouping represents only 6% of gross revenues but over 25% of total value added impacts. In contrast, the

Cariboo represents 13% of gross revenues but only 8% of the value added impact. The vastly different impacts in Cariboo and Southwestern British Columbia reflect to a large extent the different regional economies, as reflected by import leakages.

In Cariboo, much of the purchases of goods and services by local businesses and consumers are imported from outside the region, mainly Southwestern British Columbia. Consequently, the multiplier for regional expenditures is low. The majority of provincial economic impacts from fishing lodge/resort operator revenue accrue to other provincial regions, most notably Southwestern British Columbia.

For Southwestern British Columbia, a large share of provincial economic impacts arising from fishing lodge/resort operations in the region stay in the region. Leakages to other provincial regions are low since Southwestern British Columbia is a more self-contained manufacturing and service centre. As well, Southwestern British Columbia is a prime beneficiary from fishing lodge/resort activity in other, remote regions of the province such as the Cariboo. This is because operations in the Cariboo purchase goods and services from suppliers in Southwestern British Columbia.

This combination -- a high "retention rate" for impacts from operations in the host region and a high "attraction" rate for impacts leaking from other provincial regions -- result in the large "Other Region" impacts. Although the regional impacts in some other regions are small in an absolute sense, they are significant to the overall economy of the region. The industry can and does provide an economic stimulus to local regions and communities.

FOOTNOTES -- Chapter 8

1 In extrapolating from the sample to the total population, separate weights were applied to saltwater and freshwater operators. This is because special efforts were made to ensure the saltwater sample size exceeded 30. The weights used are: Saltwater Operations - 1.42; Freshwater Operations - 2.08.

2 The survey was on an establishment basis. Therefore, companies which own more than one operation were asked to complete separate questionnaires for each operation/facility.

3 For the respondents who provided revenue data, gross sport fishing revenues as a percentage of total revenues were as follows by type of fishery:

Saltwater	92.9%
Freshwater	91.7%

4 Chapter 2 noted that the industry in total can accommodate up to 22,000 guests at one time. A May to September season is typical for the industry, providing about 150 operating days. The potential maximum capacity of the industry therefore would be about 3.3 million client nights. The industry therefore is operating at about 20% of its full (theoretical) capacity.

5 This estimate assumes that the people reported as full-time employees in April work year-round and that part-time employees work an average of three months a year. This method assumes an annual average wage of about $17,000 which amounts to about 70% of the annual average wage in the province. These assumptions are further explored in a later footnote.

6 Respondents were asked to indicate the total capital investment to date in their facility. It is assumed the accumulated capital investment figures are based on their original values.

7 Fifty-one respondents provided their wage and salary costs. For these respondents, wage and salary costs came to $7,136,000 or 32.18% of their gross revenues of $22,173,000. This weighted average is used in the Exhibit and subsequent analysis. The same ratio is applied for both saltwater and freshwater operations. Respondents were also asked to indicate the share of wages and salaries which accrue to British Columbia residents. This share for the operators who answered the question came to 99.5%. Because the employment of non-British Columbia residents is so small, it is assumed that all wage and salary payments are received by British Columbia residents.

8 One hundred and eight operators provided information on their total purchasing including wages and salaries. For these respondents, total purchases as a proportion of gross revenues came to $22,288,000 or 72.75% of gross revenues of $30,552.000. When wages and salaries are removed, industry purchases from suppliers are estimated at 40.57% of gross revenues. The same ratios are applied for freshwater and saltwater operations. Respondents were also asked to estimate the proportion of purchases made outside British Columbia. These came to 3.13 % of gross revenues. This proportion is used in the subsequent analysis.

Under these assumptions therefore, domestic value added as a proportion of gross revenues is 59%. This ratio is high compared to other tourism sectors -- the DPA Group estimated a ratio of 43% for the adventure travel industry -- and appears high compared to most other economic activities. Some of the capital surplus could be earned by non-residents and spent outside the province. The DPA study of the adventure travel industry suggested that perhaps three cents of every dollar of revenue were earned by non-residents and spent outside the province. Since most of the large saltwater operations (which probably account for most of the industry's profits) are British Columbia owned, the ratio for the fishing lodge/resort industry is probably lower. Nonetheless, our inability to take account of capital surplus accruing to non-residents probably biases our value added/gross revenues ratio by one or two percentage points. Beyond this, the ratio used here is biased upward by the large capital surplus generated by the larger properties. The ratio of value added to revenues probably is much lower for the smaller freshwater properties.

9 Canada Fisheries and Oceans estimates that anglers spent $55 million on fishing services and packages in 1985. Adjusting this figure based on movements in the Consumer Price Index provides a 1987 estimate of $59 million. This figure is broadly consistent with our revenue estimates. The amount spent on fishing packages alone is further discussed in the text.

Canada Fisheries and Oceans, "1985 Survey of Sport Fishing in Canada Highlights", Ottawa, October, 1986, Table 10.

10 B.C. Ministry of Economic Development, "British Columbia's Mountain Resorts 1986/87 Ski Season Review", Office of the Coordinator of Ski Development, Victoria, 1987.

11 In 1978 it was estimated that hunting guide outfitters earned $11.6 million in revenues. Adjusting this figure based on movements in the Consumer Price Index results in a 1987 estimate of $22 million in revenues (the number of guided hunters was approximately the same in 1978 and 1986).

Canadian Resourcecon Limited and Quadra Economic Consultants, Economic and Resource Management Aspects of the Commercial Use of Fish and Wildlife Resources in British Columbia, Report prepared for the Province of British Columbia, Ministry of the Environment, Fish and Wildlife Branch, Victoria, June, 1979.

12 The DPA Group Inc., Economic Impacts of the Adventure Travel Industry in British Columbia, Report Prepared for the Outdoor Recreation Council of B.C., Vancouver, B.C., January, 1988. Estimates provided in that study for 1986 have been increased by 5% to take account of inflation and industry growth from 1986 to 1987.

13 The survey did not include any questions on the nationality or permanent residence of owners. We understand that some properties are owned by people who permanently reside in the United States. However, with no data on the proportion of properties owned by British Columbia residents, it is not possible to divide capital surplus between residents and non-residents of British Columbia. Accordingly, we are assuming that all capital surplus is spent in British Columbia, regardless of the permanent residence of the owners.

14 As noted earlier, the industry largely provides seasonal full-time and part-time employment. A person year equivalent figure was calculated by assuming that people employed full time in April represented year-round work at the lodges and resorts. Also it was assumed that seasonal part-time employees worked an average of three months per year. This technique provided full-time equivalent employment of 1,310. This figure implies an annual wage of about $17,000 per year or $8.50 an hour. Most workers at the camps and resorts probably earn from $4.00 to $6.00 per hour but the overall average would be increased by the sport fishing guides who can earn $25 to $35 an hour.

15 Based on British Columbia provincial economic accounts data, it was assumed that 68% of direct wage income is respent on consumer goods and services in the province. The rest "leaks out" of the province in terms of taxes, savings, or out-of-province purchases.

Economic multipliers were applied to the estimates of provincial spending by direct employees and to the estimates of province purchases by industry. The multipliers represented a weighted average of Statistics

Canada multipliers for the four sectors -- Food and Accommodation, Transportation and Storage, Printing and Publishing and Other Personal and Miscellaneous Service. The weights were derived from the purchase patterns of the total industry for food, accommodation, transportation, marketing/promotion/travel, maintenance, administration and other. The 1979 jobs per revenue ratios were adjusted to the 1987 basis using the 63% increase in average weekly earnings realized in the province over the 8 year period. The resulting (expenditure) multipliers were:

value added or GDP	$1.14 per $1 expenditure in B.C.
wages or labour income	$0.82 per $1 expenditures in B.C.
employment	3.0 jobs per $100,000 expenditure in B.C.

Ministry of Economic Development, British Columbia Economic Accounts, 1971-1984, Central Statistics Bureau, Victoria, 1986

Statistics Canada, "1979 Interprovincial Input/Output Model Results", Ottawa, 1985.

16 The indirect and induced GDP impacts were calculated as:

B.C. Purchases Made $41.6 million

$26.3 million B.C. supplier purchases
+ $15.3 million spending of direct wage income
($22.5 million X 0.68)

Indirect and Induced Impacts $47.4 million of value added and $34.1 million of wage income

$41.6 million purchases
X GDP multiplier of 1.14
$41.6 million purchases X labour income multiplier of 0.82

Total GDP Impacts $89.0 million

$41.6 million direct GDP
$47.4 million indirect/induced GDP

Employment Impacts

Direct Employment = 1,310
Indirect Employment = $41.6 million in B.C. purchases
X (3.0 jobs per $100,000 expenditure in B.C.) = 1,250

17 These calculations imply a ratio multiplier (direct plus indirect plus induced impacts/direct impacts) of 2.14.

18 Ratios of direct taxes to income for the personal and business sectors were calculated from the provincial economic accounts publication. The effective tax rates then were prorated downward by 10-15 percent in an

attempt to reflect the likelihood that the tax rates for fishing lodge businesses and employees would be somewhat less than provincial averages, i.e., due to the low level of revenues of many operators and the low average wage rate. Note that the industry is very seasonal -- many operators and employees have income from other sources; consequently, total income from all sources -- the basis on which tax rates are applied -- could be substantially higher than fishing lodge-related income.

The tax rates used in the analysis were:

Personal Income Taxes

Provincial	5% of wage income
Federal	11% of wage income

Corporate Income Taxes

Provincial	3% of capital surplus
Federal	6.5 % of capital surplus

Ministry of Economic Development, Ibid.

19 Gross revenues by region were estimated by applying the regional ratios of the universe to the sample to the regional gross revenues from the sample operations, and then normalizing to the provincial gross revenue estimates provided in Exhibit 8.1.

20 Includes Southwestern British Columbia, Okanagan, Similkameen, Peace River/Alaska, and Rocky Mountain.

21 Essentially the procedure involved:

1) for each region apply a regional value-added multiplier (derived from some work by Craig Davis) to total regional revenues -- this gives regional value added from fishing lodge/resort activity within the region
2) for each region estimate total provincial value-added from the fishing lodge/resort activity in that region using the results of sub-section 8.3
3) prorate value-added impacts that "leak" out of the region to other provincial regions [i.e., the difference between 4) and 3)] based on the regional pattern of census value added from the Census of Manufacturing.
4) aggregate results from 2) and 3) to estimate total regional value-added
5) prorate total provincial wage impacts across regions according to the pattern of value-added in 3)
6) prorate total provincial employment impacts across regions according to the pattern of value added in 5)

Craig Davis, "B.C. Regional Economic Multipliers", Report Prepared for British Columbia Lands, Parks and Housing", September, 1985.

22 The normal multipliers (total impacts over direct) implied by these calculations are as follows:

Vancouver Island	1.69
High Country	1.29
Cariboo	1.14
North by Northwest	1.37
Other Regions	1.92
Total Province	2.14

The normal multipliers are derived before the residuals are allocated by region. The reader is cautioned that these normal multipliers are specific to the sport fishing lodge/resort industry and cannot be applied to other tourism activities.

9.0 PRODUCT AND MARKET OPPORTUNITIES

The foregoing description of the lodge/resort sport fishing industry has profiled an industry that plays a major role in the British Columbia tourism sector. In 1987 the industry, despite operating at 55% occupancy levels, generated revenues estimated at $70 million. That the industry has achieved this level of performance without a level of assistance from the public sector (that is comparable to that which is available in many other competing jurisdictions) demonstrates its strength.

The analysis of the nature of the product and market shows that there are many opportunities which the industry can consider to maintain and improve its market share. In this section, a summary of the key opportunities is provided.

9.1 Product Opportunities

9.1.1 Saltwater Operations

The saltwater product exhibits the greatest strength in the lodge/resort sport fishing industry, as shown by the following indicators:

- higher in-season occupancies than the freshwater product
- higher capital investment and larger operations on average
- substantially higher revenues per client night
- significantly greater revenue generation.

This sector, more so than the freshwater product, focuses on the sport fishing activity in both the definition of its product and its marketing/promotion programs. The major challenge facing the saltwater group is to maintain it's viability in the face of a declining resource base.

Shift in Product Emphasis

The saltwater sport fishery is attracting new entrants who are seeking to develope a market share. The nature of this industry is such that locations for facilities are relatively limited and tend to be clustered together on specific points along British Columbia's coastline. This circumstance naturally increases pressure on the resource from within the industry, notwithstanding other competing demands on the resource from resident anglers and the commercial fishery. In packaging its products, one of the major opportunities available to the saltwater operators is to shift the focus from one of "fish kill" to a more conservation oriented "catch and release" experience. Some industry participants also suggested a shift in emphasis from chinook salmon (given their reduced levels) to other species, notably coho as well as to non-salmon species (halibut, ling cod and rock fish).

Various studies and surveys have demonstrated that this change in emphasis is unlikely to have any significant impact on the saltwater market. Both the surveys undertaken in this study and surveys of saltwater anglers generally in British Columbia have shown that the prime motivator for the sport fishing experience is not number and size of fish caught but rather the sport fishing experience in a natural/scenic and remote location. This is true for both resident anglers and non-resident customers. Moreover, there are strong indications that non-resident customers are generally unaware of the differences between chinook and coho salmon. What they are seeking is a salmon fishing experience in general terms.

New Facilities

The saltwater industry is clearly successful and further growth is realistic. However, this growth must be carefully controlled in light of the resource base capacity. The evidence available to the Study Team suggests for example that future new development should be deflected away from Campbell River (which some members of our Team believe is already over crowded) to other locations such as: the Queen Charlotte Islands, (where development could be linked to the South Moresby National Park); and to more remote locations on Vancouver Island and the North by Northwest Tourism Region where fishing activity is still at modest levels. Beyond these more general comments, it is beyond the scope of this study to assess resource base capacity. (The evidence here concerning declining resources is from operators themselves and government representatives). A product development plan which protects the existing investments of saltwater operations and encourages protection of new investment in locations not yet developed will provide a sound basis for expanding the saltwater product.

Upscale Amenities

In the face of major resource constraints in specific locations, some lodges have demonstrated that an alternative upscale market exists for which the fishing experience is not important. This opportunity involves product diversification into alternative outdoor recreation activities and offering upscale amenities and services. It is an opportunity which some operators can pursue where the declining resource base is seriously affecting viability.

9.1.2 Freshwater Operations

The freshwater product is much more diverse in both type and size of operation. Key product opportunities are identified below.

Sharper Product Definition

Freshwater operators can benefit from a sharper product focus. The range of product definitions can include:

- the "accessible" fishing experience in a wilderness setting -- oriented to families and couples
- the remote (fly-in), high quality sport fishing experience
- the sport fishing experience related to British Columbia's distinct species
- new outdoor activities.

The high quality freshwater product is reasonably well defined. However, the middle to small size freshwater operations which offer accessible sport fishing experiences can expect to improve market share by a more focussed definition of the services they offer to their primary markets. In addition, development of high quality outdoor activities offers potential capture more of the family and couples market.

Product Packaging

Users unanimously preferred all-inclusive packaging for their sport fishing experience in the freshwater area. A packaging strategy offers a significant opportunity for freshwater operators to meet user needs and their desire for ease of selection and comparability in the marketplace. Specific packaging strategies should also reflect the trend toward shorter stays by users.

Moving the Product Upscale

The British Columbia product is generally priced lower than its competitors. There is also a general requirement amongst the middle to smaller size freshwater operations to upgrade their products to be consistent with user expectations. Users identified, for instance, a preference for modern cabins and furnishings and indoor plumbing as their key

concerns with the British Columbia freshwater product. In particular, there is an opportunity for those operators who accommodate most of their guests in trailer sites, to upgrade their product to appeal to a higher priced marketplace seeking the wilderness family experience. Capital upgrading plans should reflect the specific target markets that operators have identified.

Specific Product Development Opportunities

The major emphasis in freshwater should be on upgrading existing operations and identifying smaller and medium-scale properties which hold potential for expansion because of the skills and expertise of the operator and special opportunities provided by the resource and/or client base.

However, the potential may exist for a few high quality, fly-in facilities catering to specific geographic and activity markets. One set of opportunities could involve joint ventures between a British Columbia operator and an investor in the travel industry of the country which would be the major origin for the operation's visitors. One possible example would be a joint venture with a Japanese business person in the travel industry to cater to Japanese freshwater sport fishermen. The British Columbia investor would bring to the joint venture knowledge of the industry, guiding skills, and access to the resource. The Japanese investor would bring financial capital and the market, and would provide management assistance in order to help with language, culture, etc. Similar joint ventures could be considered with German investors and perhaps investors in the Southwestern United States. The concept could be tested with one or two joint ventures on high quality lakes before full product development begins.

Discussions should also be held with native groups in order to examine the feasibility of developing high quality, fly-in fully guided freshwater operations on remote northern lakes.

In selecting lakes, priority could be given to areas which could be affected by future land claims agreements. A high quality lodge owned and operated by native people would provide both quality sport fishing and exposure to native culture, and could be particularly appealing to younger, more affluent, couples, families and groups who want both outdoor recreation and learning experiences from a holiday. Again, we would suggest the concept be tested with one or two facilities before full product development is encouraged.

There could also be opportunities to develop new drive-in facilities -- or to considerably upgrade existing facilities -- in order to cater to specialty markets such as the active elderly and recreation vehicles owners (both are generally located in the Southwestern United States -- California, Arizona, New Mexico and Texas).

9.2 Market Opportunities

9.2.1 Saltwater Operations

Saltwater operators are successful in marketing and promotion. The high occupancy rates reflect this as well as the level of expenditure on marketing and advertising. Key marketing opportunities are summarized below:

Mid-Priced Packages

Generally the saltwater group appeals to the top end of the market. For the medium sized saltwater operations there is an opportunity to offer mid-priced packages including accommodation and boats but excluding such amenities as food and guiding. This is a much larger market than the high end segment and one which could appeal to users in Washington and the midwest U.S. states. Mid-priced packages could be used to introduce younger people to sport fishing. They may then purchase the high price packages as their affluence increases. Mid-priced packages could be particularly

targeted on the shoulder season when occupancy rates for these properties are significantly lower.

Collective Marketing

Corporate Users identified a preference for "sampling" a range of saltwater operations. There is a market opportunity to package and focus corporate marketing to reflect corporate user preferences and to highlight the diversity of British Columbia's saltwater operations. This strategy would help to increase the profile of British Columbia's sport fishing industry with the corporate market generally.

Vertical Marketing

Saltwater operators have demonstrated the effectiveness of vertical marketing through advertising in newspapers and special interest magazines (e.g., business magazines, airline magazines). Support of their vertical marketing effort to improve its effectiveness should be considered.

Marketing the Fishing Experience

Operators, users and travel influencers have all expressed concerns about the resource base. In this regard operators should emphasize resource management, the fishing experience and non-consumptive uses of the resource in their marketing.

9.2.2 Freshwater Operations

Freshwater operations have been less successful than their saltwater counterparts in marketing their product. Occupancy levels are, on average, lower as are marketing and advertising expenditures. Several key market opportunities exist for the freshwater product.

Vertical Marketing Focus

There is as a major opportunity to improve marketing effectiveness through a shift in emphasis from a regional approach to a vertical market approach. British Columbia offers a competitive advantage in the natural/scenic setting it provides for the sport fishing experience, placing it ahead of many of its competitors. Emphasizing British Columbia to non-resident markets as opposed to a specific region is likely to yield greater returns.

Market Areas

California and Washington should continue to be given first priority because of proximity and limited competitive product. For the family/couples market, key markets which are not well covered include the Mid-West and Southwestern U.S. states. These are traditionally markets for Saskatchewan and Manitoba products and are characterized by a high incidence of fishing interest. As such they offer substantial market potential.

There are specialized market opportunities for the high quality freshwater product through joint venture approaches with European and Japanese markets. This will take some time to develop and realistically will require the assistance of wholesalers and government.

In considering market segments, the accessible freshwater product could appeal to the younger, more affluent families if services and facilities are upgraded.

Improved Marketing Techniques

A general improvement in marketing, particularly by the middle to smaller size freshwater operations would assist in enhancing market share. Examples include:

.a more focussed approach to marketing to the family and couples market seeking an accessible sport fishing experience in a wilderness setting

. collective marketing to the active elderly and recreational vehicle markets including direct mailing and attendance at their destination shows (particularly in the southwestern U.S. states)

. more aggressive marketing to corporate users for the high-end freshwater products.

0.0 PRODUCT AND MARKET DEVELOPMENT INITIATIVES

The sport fishing lodge/resort industry generates revenues of about $70 million annually in British Columbia. Based on this expenditure level, the industry contributes about $90 million dollars to the provincial economy. This is a significant contribution for any single tourism industry. Add to that the fact that the industry operated in an under-capacity situation in 1987 (averaging less than 55% occupancy in the May to October period) and we are faced with an industry that is one of the more important vertical tourism segments in British Columbia and which possesses substantial capacity for revenue growth. The benefits to British Columbia from just encouraging the industry to achieve greater occupancies, let alone encouraging ongoing expansion and development, would be significant.

A comprehensive set of product and market development initiatives has been assembled based on the foregoing analysis. These are presented below under five headings. The industry faces problems beyond just product and market development. A major issue identified by the industry is the degree to which the resource on which it is based -- quality fishing in a superb natural environment setting -- can be properly maintained. This is a concern of both saltwater and freshwater operators and one which requires cooperation with government officials, not only in tourism, but also in related departments.

Another major problem for the industry is the absence of an institutional framework within which industry operators can work with the public sector towards achieving mutually compatible objectives. This is in part attributable to the industry's own lack of organization, but also a function of the lack of recognition and profile of fishing lodges and resorts as an important tourism industry in British Columbia.

In order to achieve objectives for maintaining and encouraging appropriate growth of the industry, a sound institutional framework within which the industry and public sector can work together is critical.

The following initiatives relate not only to product and market but also resource management and institutional concerns. They are put forward as recommendations for consideration by the Ministry of Tourism, Recreation and Culture.

1. Lodge/Resort Sport Fishing Sector Recognition

Recognition of this sector as a priority for tourism is an essential foundation for both the public and private sectors to continue investing in the industry's maintenance and growth.

1.1 Establish the sport fishing lodge/resort industry as a priority tourism industry within British Columbia's tourism sector.

British Columbia offers a spectacular natural environment comprising coastlines, interior mountainous regions, and river and lake systems which are of considerable interest to the international tourism market. Within that setting, sport fishing is a major activity that, today, draws visitors from around the world. Survey after survey confirms that enjoyment of the fishing experience within a beautiful natural setting is perhaps the key attribute of the fishing experience. More than most jurisdictions, British Columbia offers this appeal. Evidence of its success to date is found in the 1987 contribution of the fishing lodge/resort industry to British Columbia's economy -- $90 million in gross domestic product.

As with most tourism industries, the British Columbia lodge/resort industry is not without its problems. The public sector can do much to support and encourage the industry's growth and development as well as to establish an appropriate institutional framework that encourages further investment by the industry. To achieve this, however, requires that the lodge/resort industry be recognized as a priority tourism activity.

Product Development Initiatives

2.1 Work with the industry to establish areas of priority for product offerings which maximize British Columbia's competitive advantage. Within that framework, the Ministry should encourage the upgrading of existing products and new product development consistent with the capacity of the resource base to sustain industry expansion.

A product development context within which the public sector can pursue and direct its efforts and expenditures must be established. The Ministry's mandate is to maximize the benefits of tourism to British Columbia's economy. Therefore, a framework which enables British Columbia to realize this potential is fundamental.

2.2 Recognize the following features of British Columbia's product offerings in establishing a product development framework:

- **a general product development stance that encourages investment in areas where the combination of sport fishing potential and outstanding natural settings is found;**
- **recognition of the unique features of the British Columbia product such as the steelhead and cutthroat fisheries;**

- **identification of and emphasis on sport fishing locations which are world class in nature and therefore appeal to an international market;**
- **identification and definition of "maintenance" areas which do not have world class attributes but which nevertheless form an important part of the sport fishing industry.**

British Columbia's fishing lodge/resort industry is diverse, offering a range of products. It is important to differentiate the products in terms of British Columbia's competitive advantages and to design a product development strategy accordingly. This approach offers the best chance to ensure that the Province's tourism objectives are achieved.

2.2.1 Design the product development program to reflect the different circumstances of operators in the industry. Specifically, a five point classification is suggested as follows:

	Freshwater	Saltwater
Larger Commercial Ventures (Gross Revenues of $500,000 plus)	X	X
Medium Scale Commercial Ventures (Gross Revenues of $100,000 to $500,000)	X	X
Smaller Hobby Type Ventures (Gross Revenues Less than $100,000)	X	-

The five part classification acknowledges that different approaches may be needed for large and medium scale commercial ventures and for smaller facilities, and that the hobby-type operations are for the most part freshwater properties. There are not sufficient saltwater operations of less than $100,000 to warrant separate consideration in the formulation of initiatives.

2.3 Review the capital assistance programs currently available to the lodge resort industry with a view towards determining the need for establishing a capital financing assistance program for the industry. If such a need is identified, work with industry to both design and implement such a program.

Access to capital has been identified by both freshwater and saltwater operators as a major industry constraint. For the freshwater group, the product profile confirms their concerns. The majority of facilities are older (20 years plus), and annual capital investment barely meets maintenance requirements. The industry, especially the freshwater component, is operating at well below capacity at this time. Given this unused capacity, the financial requirements and risks associated with capital investment for upgrading are not as great as would otherwise be the case, provided that complementary market development and resource management initiatives are implemented.

Government is currently administering a number of capital incentive programs which could be utilized by the industry. The Tourist Industry Development Subsidiary Agreement under the Economic and Regional Development Agreement includes the Product Development program administered by the Ministry of Economic Development. The program focuses on the development of "destination" resorts, events and attractions, and its objective is to enhance the quality and variety of internationally competitive destination facilities in order to broaden British Columbia's appeal to the international tourist community. The program provides low interest loans at an interest rate of 2.5% per annum. Incentives under this program are available until 1989. Other financing programs of government include the loan financing available from the Federal Business Development Bank (FBDB) and the British Columbia Enterprise Corporation. These programs essentially provide term financing on commercial terms.

The Ministry should review, with the lodge/resort industry, these and other capital financing programs provided by government in order to determine whether they are meeting the current and future needs of the industry. The review should recognize that ERDA funding is scheduled to come to an end in less than two years time.

2.3.1 Design an Access to Capital Initiative for the industry to reflect the product differentiation profile established in 2.2 above.

For priority locations, capital investment should be directed to balanced growth. For locations which do not offer world class attributes, capital investment programming should reflect an industry "maintenance" stance, reflective of their product and market potential.

Capital assistance should be provided on a selective basis and applications for assistance should be supported by detailed market assessments, financial analysis, resource evaluations, and a full business plan for the proposed facility. Government funding should focus on the dynamic and expanding segments of the industry and on operators who are prepared to make a strong personal and financial commitment to their operation and industry.

2.4 Encourage the industry to adjust its product to reflect the sport fishing "experience" appealing to non-traditional markets (see the Market Development Initiatives below).

Sport fishing promotion by fishing lodges/resorts has historically emphasized the so-called "dead fish" opportunity. The emphasis has been on fish catches and not on the fishing experience itself. On the other hand, users consistently rate the natural setting as a prime motivator as opposed to the number and size of fish caught. Readjustment of the product to reflect user priorities is consistent with

industry objectives in that potential new major markets can be tapped. This will require development of facilities which offer quality activities in addition to sport fishing, and which emphasize service beyond the sport fishing activity itself (e.g. quality of food, the more up-scale amenities, winter sports).

2.4.1 Encourage the freshwater industry to consider adjustment and packaging of their product to a "remote, family-oriented" fishing experience with attendant product diversification.

This is currently a fairly important market for the freshwater industry, even though the operator's marketing efforts tend to be oriented to fishing itself. While not appropriate to those operations which offer a world-class experience, many of the small to medium scale freshwater operators can be expected to benefit from product diversification to serve the family market.

2.5 Encourage industry to move towards a "catch and release" philosophy.

This is consistent with recommendation 2.4 above and is essential if the industry is to prosper over the long term. Surveys on the prime motivators of users in relation to the fishing experience suggests that this change in philosophy will not negatively affect British Columbia's market. As the product is introduced to new markets, we believe that this philosophy will be essential to achieving industry expansion and a growing market share. At the same time, the industry cannot continue to prosper if the resource is depleted to the point where British Columbia offers no competitive advantage. This recommendation must be pursued in parallel with recommendations related to resource management initiatives to encourage the same conservation philosophy on the part of other users of the resource.

3. Market Development Initiatives

3.1 Implement a comprehensive program of marketing and marketing assistance for the fishing lodge/resort industry consistent with the industry's product potential and concerns related to the ongoing availability of the resource itself.

At the present time, the Ministry's contribution to industry marketing is general in nature: through advertising British Columbia in non-resident and resident marketplaces; and the Partners in Tourism program through the regional tourism associations. Recognition of the sport fishing lodge/resort market as a priority vertical market segment carries with it the need to design and implement more focussed marketing initiatives. Because the industry is so diverse in its product offerings, the Ministry will need to consider a variety of marketing approaches and techniques.

3.2 Develop marketing tools which promote the lodge/resort sport fishing experience in British Columbia generally. Deploy these tools in cooperation and consultation with the industry.

One area where British Columbia's competitors generally excel is in the selling of the province or state in combination with the specific products offered by fishing lodges and resorts. British Columbia does not now have such an approach and yet British Columbia's natural environment (and other attributes of interest to the sport fishing visitor) is one of the best in the province's market area. Moreover, our analysis of potential users illustrates that many tourists to British Columbia (close to 25%) could be interested in purchasing some type of sport fishing package. This potential user group can be better accessed and influenced through the regular promotional channels of the Ministry. More aggressive promotion of the British Columbia natural setting together with our sport fishing opportunity

will reap benefits in terms of capturing a greater market share for the lodge/resort industry in particular and the total British Columbia tourism sector.

3.2.1 Consider specific marketing tools such as a fulfillment package related to the fishing lodge/resort industry, use of an 800 number, and attendance and joint promotion at major travel shows.

The operators perceptions of their most effective marketing tools at this time provide some guidance for the Ministry in terms of considering specific marketing tools aimed at promoting the advantages of British Columbia in conjunction with a specialized fishing vacation. For instance, the freshwater operators point to the Accommodation Guide and brochures as effective mechanisms for them to secure business. Although 86% said their most effective tool was word of mouth, 49% pointed to the Accommodation Guide as an effective tool and 35% to brochures. In order to increase the effectiveness of the Accommodation Guide, it is recommended that the freshwater lodges be included as a separate section within the Guide. As well, distribution of a fulfillment package through an 800 line mechanism, at travel shows and through the operators themselves, can be expected to yield additional customers to freshwater operators.

Saltwater operators also identified word of mouth as the most effective marketing tool for them. In addition, 29% cited travel shows and 23% identified magazines/newspaper ads as effective tools. Joint cooperative marketing efforts with the saltwater operators in each of these market venues is recommended.

3.3 Cooperate with the freshwater industry in considering a more focussed marketing message toward families and couples.

The freshwater operators draw about 68% of their market from families and couples as opposed to the singles market and the group/corporate markets. Even with the emphasis on sport fishing as the central feature, it would appear that the freshwater industry is providing a satisfying vacation experience for families and couples. Underscoring this assumption is the fact that 57% of freshwater customers are repeat business. As mentioned in the product development initiatives above, freshwater operators should consider packaging and marketing their product to more directly cater to the needs and expectations of this demographic segment.

3.3.3 Cooperate with saltwater operators in marketing their product to corporate customers and markets with a high incidence of professional males.

Unlike the freshwater group, saltwater operators do not cater to families and as one industry participant put it "do not want their beds taken up by families". Sixty-four percent (64%) of their 1987 visitors were group customers which include corporate bookings. More direct marketing to this segment, with the Ministry's cooperation and support could yield returns in the future. For instance, a marketing package developed for, and delivered to, the corporate market in the form of selected advertising and distribution to conventions is one option to consider.

3.4 Work with industry to penetrate new market areas.

In addition to initiatives related to increasing capture rates from existing markets the Ministry should encourage and work with industry in new market development. At the present time, the major market areas for both freshwater and saltwater operators include British Columbia, Washington, and California. Other markets to consider include other Canadian provinces, the U.S. midwest, Texas, Arizona, Asia, and Europe. At the present time, some operators in the industry draw from these markets but on a limited basis.

3.4.1 Cooperate with the industry to identify and place priorities on joint actions to develop new geographic markets and new market segments within existing geographic markets.

Based on discussions with the industry and a review of the current market profile, the suggested priority, at this time, would be as follows:

- First priority
  - Washington
  - California
  - U.S. midwest states
  - Texas
  - Arizona
  - Western Canadian provinces
- Second priority
  - Europe
- Third Priority
  - Asia

California and Washington are important markets now, are enjoying significant economic expansion, and cannot offer the quality sport fishing experience provided by the British Columbia operations. The U.S. Midwest has long been a market for Saskatchewan and Manitoba sport fishing products and is one in which British Columbia could secure a higher market share, particularly for its freshwater products. The Arizona and Texas markets again offer potential for the freshwater experience, particularly for the older family and couple segments who are looking for a vacation experience northwards to escape the summer heat in their states.

The European and Asian markets will take considerably longer to develop given the structural issues that must be addressed related to agents, vacation experience guarantees, and the like. In addition, these markets are more focussed toward the sport fishing experience itself and are therefore of interest to saltwater operators and freshwater operators who specialize in world class sport fishing.

3.5 Encourage industry to make greater use of travel wholesalers, retailers, and other travel intermediaries.

The industry in the past has made little use of travel intermediaries. The larger saltwater operators believe they do not need them -- which may be true for them -- while other operators are discouraged by wholesaler and travel agent commissions. Travel intermediaries are not needed to access current markets, but could well be needed to penetrate new markets such as the active elderly in the Southwestern United States, the recreation vehicle market, younger more affluent couples, etc. Penetrating new markets are needed to expand the occupancy rates of medium-sized saltwater operations and of all freshwater properties and to maintain the industry's client base given that its current clientele is ageing.

4. Resource Management Initiatives

4.1 Work with the Ministry of Environment and Parks and industry to address resource management issues facing operators.

Both saltwater and freshwater operators placed considerable emphasis on the declining resource base as one of the major issues facing them in the future. Their concerns ranged from pressure on the fishery itself and declines in stocks to land use encroachment and impact related issues. It is clear from discussions with provincial and federal government representatives that both freshwater and saltwater species generally are declining. This situation can be expected to continue unless there is concerted public and private sector action. The saltwater fishery is the subject of substantial attention given its commercial contribution to British Columbia's economy. Even with the resource management regime now in place for the saltwater fishery, the competing demands on the fishery and in particular, the rise of sport fishing, has added to pressure on the resource.

In the freshwater area the fishery has not received the same level of attention, although the Ministry of Environment and Parks maintains active stocking programs and a regulatory regime related to sport fishing licensing and catch limit enforcement.

In addition to resource pressure, land use issues emerged as a major concern with freshwater operators. Specific examples include the construction of public access roads to "pristine" remote recreational fishery areas, clear cutting of scenic areas around lakes, and a land use permit process which does not regulate the number of lodges/resorts on any given lake.

The operators, almost without exception, expressed significant concern about resource management. The depth of their concern and the degree of consensus cannot be ignored in considering actions to encourage development of the freshwater segment of the industry.

The initiatives presented below address specific features of the general resource management concern. The institutional environment and process that is needed to implement these initiatives are described under Institutional Environment in the next set of recommendations.

4.2 Cooperate with other Ministries and industry to jointly develop a resource management program aimed at stabilizing both the saltwater and freshwater fishery.

This may be considered by some to be an unobtainable objective. Nevertheless, without quality sport fishing, British Columbia stands to lose economic value from the fishing lodge/resort industry. At the present time, most stakeholders are expressing individual concerns. However, there is no single voice representing the sport fishing industry generally and promoting the need to conserve the resource and equitably share in its economic value.

4.2.1 Seek agreement with the Ministry of Environment and Parks to expand the mandate of their joint committee, the Fisheries Resource Management Committee, as a starting point, to work with industry in preparing the program described above.

Increasing awareness about the need for resource management and having some influence on the various regulatory and permit processes that are involved are massive undertakings. As a first step, the Ministries should begin, with the support of industry, to identify a series of actions which are consistent with their resources and which are aimed first at increasing the profile and perspective of the fishing lodge/resort industry and second at specific interventions.

The Ministry of Tourism, Recreation and Culture has recently established a unit of which part of its mandate is to address land use issues where these affect tourism development. This unit can be expected in the long term to assume some responsibility for this initiative but it is unrealistic at this time to expect that it can allocate its full resources to this problem.

Program development related to resource management, consistent with the funds and resources available to both Ministries, is paramount at this time.

4.3 The Resource Management Program to be developed should address resource pressure issues in the context of the overall product development initiatives described previously in this section. As such, it should consider placing priorities on resource pressure issues along both quality and geographic lines as follows:

- **rigorously protect the highest quality fishing experience locations in British Columbia in both saltwater and freshwater;**

- **consider strong measures to ensure that resource degradation of the recreational fishery does not take place for distinct species of interest to the international marketplaces;**
- **consider a maintenance and stabilization program in as far as possible for areas which are not world class but which nevertheless offer quality sport fishing experiences;**
- **identify and plan, in advance, a resource management regime for new undeveloped areas which have sport fishing potential.**

Establishing priority locations from the perspective of the Ministry of Tourism, Recreation and Culture is a necessity if product and market development initiatives are to be justified. Otherwise, the danger is that investment and support efforts of the public sector will not have the desired impact, not because of the actions of government or industry, but because of overall depletion of the quality of the fishery.

4.3.1 The resource management program should address land use encroachment issues related to the freshwater area.

At the present time, permit processes for forestry, mining, agriculture, and related resource development do not include formal requirements to consider impacts on fishing lodge operators. Such actions as clear cutting, increased public access, and other land use conflicts can have dramatic and rapid effects on their current business and growth potential. It is not just the impact on the sport fishery that is of concern here but also the impact on the natural scenic beauty of any particular location. Both factors must be addressed in considering land use encroachment issues.

4.3.2 The resource management program should include consideration of controls on density of operators in any given location.

This is important for both the saltwater and freshwater operators. For example, a major investment on a particular lake can be negatively affected by permits to allow additional development of competing lodges and other economic activities on the same lake. This in itself has a negative impact on the sport fishery and on the quality of the fishing experience. Similarly, in the saltwater area, uncontrolled development of lodges and resorts in any particular location will ultimately degrade the sport fishing resource and experience, and reduce the tourism potential.

4.3.3 The resource management program should address the concerns of other stakeholders in the recreational fishery. The focus of this report is on the fishing lodge/resort industry and its tourism potential. Other users of the resource include local anglers and the commercial fishery, whose interests must also be considered in preparing and implementing a resource management program. Consultation as well as efforts to educate and increase the awareness of resource problems are suggested.

4.4 Encourage the lodge/resort industry to set an example through a conservation philosophy related to the fishery.

This was suggested previously as an essential feature of product development. It is equally valid and bears repeating as a fundamental principle for the resource management program suggested in this chapter. The industry must demonstrate leadership consistent with their concern about the declining resource.

4.5 Work with appropriate Ministries and the industry to consider establishing, for the freshwater industry, a lodge/resort licensing system similar to the system now being implemented in Manitoba.

The Manitoba system has a number of appealing features. Decisions on license applications are made by a committee

which involves all relevant departments of the provincial government. Therefore, the system facilitates improved government coordination toward the industry. The general intent of the Manitoba system is to ensure that all tourism developments are consistent with departmental policies, regulations and agreements. As well, tourist developments are to be financially viable and compatible with the resource base. Resource related tourist establishments are not to exceed the carrying capacity of the resource base they are dependent on, and first priority is given to optimum sustained use of the renewable resource.

Where capacity exists, sport fishing lodges are given priority in development and resource access, followed by: outcamps; boats, motor and fuel caches; and test fishing -- one season. To support lodge development and where conditions permit, one lodge is to be approved per body of water of the water system, and the proponent is encouraged to develop to the maximum potential of the resource available. The system therefore provides tenure and security to the fishing lodge operator. The system also encourages co-management of the resource between the operator and government. Operators who are prepared to promote "Catch and Release" are allowed to construct a larger number of accommodation units.

Possible elements of a British Columbia system to be considered in industry/government consultations could include:

- Measures to facilitate co-management of the resource
- Development of a system which covers properties on Crown land as well as properties on privately owned land
- Term of the license, which could be related directly to resource and bio-physical issues
- Government departments to be responsible for administering the system. Since licensing is tied to

resource conservation, Environment and Parks is a potential candidate.

- Degree of exclusive use. Some remote northern lakes could be allocated to the exclusive use of a lodge or resort, but others could be allocated to the joint use of a lodge operator and casual anglers.
- The license fee to be charged to operators, which should be commensurate with the economic value of the fish killed. Given the affluent status of most lodge guests, most of the license fee cost probably can be passed on to the user/angler.

The licence for each operation could entail:

- exclusive rights to conduct a land-based fishing lodge or fly-in camp operation on the lake;
- explicit capacity guidelines for the facility in terms of size and/or bed capacity (the guidelines should be consistent with the carrying capacity of the lake environment);
- reporting requirements on the owner in terms of occupancy levels, angler use, and harvests taken;
- a management plan for the operation in terms of daily bag limits, catch and release policy, allowable gear (fly fishing, barbless hooks, etc.), and on-site management of clients;
- licenses not used or severely underutilized for say, two years, to be subject to cancellation.

The Manitoba system has a number of positive features. Regardless, it is essential that establishment of such a system in British Columbia be preceded by detailed discussions with the industry, and preferable that methods for approval monitoring and enforcement be developed and implemented jointly with industry. A licensing system to be effective must have the active support of industry and be designed to meet the needs of operators, not just the bureaucracy.

4.5.1 Initiate discussions with the saltwater operators to explore whether some type of licencing and resource co-management system can be developed for the saltwater operations.

Developing a Manitoba type system for saltwater operators may not be feasible. Saltwater operators are competing with other users for a common property resource. Salmon, which are preserved through a co-management resource system with government, are likely to be caught by a commercial fisherman or casual angler, not by a guest at a sport fishing lodge. Nevertheless, discussions should be held between industry and government in order to explore possible options for: licensing; resource management; and ensuring the number of facilities and their locations are consistent with the resource base and with maintaining the high quality experience offered by the province's saltwater lodges.

5. Institutional Environment

The majority of the initiatives described in this section cannot be implemented to maximum effect without an appropriate institutional environment to serve as a mechanism for delivering the initiatives.

5.1 Encourage industry to form an industry wide association or associations for the salt water and freshwater segments respectively.

This initiative is fundamental to the ongoing development of the industry with the support of the public sector. Government must have the views of industry expressed as a consensus through a formal industry association so that it can properly respond in a comprehensive manner. During the course of the study, many industry participants and government officials expressed the opinion that it could be difficult for the industry to speak with one voice given its diversity. However, the results of the operators survey

clearly indicate that a consensus can and should be developed around the resource management issue, as a starting point for the industry to collectively voice its views. Moreover, during the course of the study, operators showed real interest in an association.

In the freshwater area, the British Columbia Interior Fishing Camps Association is the best vehicle in our opinion on which to build a province-wide freshwater association. No such association exists in the saltwater area. There are however, significantly fewer saltwater operators and therefore the task may not be as onerous as might otherwise be the case.

Some have argued that another association would not be of interest to operators given their current commitments and time availability. Many of the operators are actively involved in regional tourism associations which demand a certain level of activity and commitment. The prospect of a province-wide industry association may be regarded by some as an additional burden. Notwithstanding these concerns, we believe that this recommendation is essential if the Ministry is to place a priority on the fishing lodges and resorts as an important tourism industry in British Columbia and if resource management issues are to be addressed. This cannot be done through regional tourism associations given that many of the issues are province-wide and require interventions at the provincial level.

5.2 Consider specific resource assistance to industry in the initial formative period involving implementation of these initiatives.

Industry cooperation in implementing these initiatives will require a great deal of time and effort. The industry does not now have the resources to form an association or associations on its own and to work with the public sector to the level of effort required by the initiatives described above. Particularly in the initial formative stage, industry

will need help in order to properly launch these initiatives. Specifically we suggest the funding of an individual designated to work with the lodge/resort association(s) and others with similar concerns, to provide a point of contact and liaison with the public sector. Over the longer term, and as the industry associations strengthen, funding for this individual could be taken over by the association(s).

5.3 Work with the Ministry of Environment and Parks to formalize a liaison and coordination process to address joint concerns in the sport fishing industry.

The full impact of the initiatives recommended here cannot be achieved without the full participation and cooperation of both Ministries. Indeed, the objectives of each Ministry overlap, not just in sport fishing, but in other tourism sectors. Thus, a formal coordination mechanism is even more important and justified. As recommended in the resource management initiatives (4.2.1) the Fisheries Resource Management Committee of the provincial government can be used as a starting point for this effort.

5.4 Initiate discussions with federal government representatives to explore mechanisms for enhancing inter-governmental cooperation and coordination toward the British Columbia sport fishing lodge/resort industry.

It is essential that government speak with one voice to the industry. The industry believes that at this time government decisions affecting the industry are uncoordinated, with one provincial ministry or federal department concerned with resource management and a second with tourism development. The apparent lack of coordination cuts across government jurisdictions. The two governments, working together, need to develop a common set of policies and objectives for the industry.

6. Effects of Implementing the Proposed Initiatives

Economic Impacts

It is not possible at this time to provide precise forecasts of what the implementation of these initiatives will imply for the client base, gross revenues, capital investment and other economic indicators of the fishing lodge/resort industry of British Columbia. The initiatives are designed to have the following impacts:

- Raise the occupancy rates of existing facilities, especially the freshwater operations,
- Increase the revenues per client night obtained by the freshwater operators,
- Expand the number of fly-in freshwater facilities catering to the upscale market and overseas market (Japan, Germany, etc.),
- Maintain the client base, gross revenues and profitability of the medium to large scale saltwater facilities,
- Provide for the orderly expansion of the saltwater industry through encouraging selected development projects in the Queen Charlotte Islands and more remote locations on Vancouver Island (outside Campbell River) and the North by Northwest region.

Given the obvious strength of the market for the British Columbia fishing lodge/resort industry, expansion in industry revenues of 30% over the next four to five years should be quite achievable. This industry growth would result from the combined impacts of raising occupancy rates of existing operations from less than 55% to around 65% in the May to October period (closer to the accommodation industry norms in British Columbia), expanding average revenues per client night in the freshwater industry by five to ten dollars per night, and adding selected new up-scale facilities to both the saltwater and freshwater segments.

Revenue growth of 30% would increase industry revenues from $70 million to $90 million, would add $25 million to the province's gross domestic product, and would create about 770 person years of employment for the provincial economy.

Stakeholder Impacts

Efforts to encourage growth and development in the sport fishing lodge/resort industry will involve impacts and tradeoffs for direct industry participants as well as other stakeholders. The proposed initiatives are consistent with many of the objectives and interests of the affected stakeholders, and provide a basis for discussion. A general assessment of how initiatives affect each of the major stakeholder groups is provided in Exhibit 10.1. In all cases there is some positive benefit for each to engage in cooperative efforts to achieve a satisfactory balance between their interests.

EXHIBIT 10.1: STAKEHOLDER OBJECTIVES AND IMPACTS OF RECOMMENDED INITIATIVES

Stakeholder	Objectives/Interests	Impact of Initiatives
1. Industry	. Commercial Success . Maintain Long Term Future of Industry . Growth and Development . Secure Access to Resource	. Creation of support environment for industry . Requirement to accept and recognize need for "conservation" theme . Direct assistance for investment/marketing on priority basis . Need to accept development controls
2. Government	. Improve Province's economic position . Protect public interest in equitable resolution of land and resource use conflicts	. Recognition of sport fishing lodges/resorts as important economic contributor . Investment in tourism support environment for industry . Shift in emphasis to vertical marketing . Recognition of critical relationship between natural/scenic environment and industry success . Adjustment of resource management/regulatory regime to recognize industry interests
3. Commercial and Native Fisheries; Guides and Other Industry Stakeholders	. Commercial Success . Maintain Long-term Future of Industry . Growth and Development . Access to Resources	. Request to engage in resource management discussions and process to resolve resource use conflicts.

HIBIT 10.1 (cont'd)

Resident and Non-Resident Casual Anglers	. Access to fishing experiences . Enjoyment of natural environment	. Maintenance of quality fishing experiencess and natural/scenic settings . Acceptance of greater catch limit enforcement . Acceptance of additional "conservation" oriented regime
Other Resource Users (Forestry, Agriculture, Mining)	. Commercial Success . Maintain Long-term Future of Industry . Access to resources	. Acceptance of review processess addressing impacts on fishery habitats and sport fishing lodge/resort industry. . Possible mitigative measures related to conservation/impact reduction.
General Public Interest	. Maintenance of highest quality of life possible for present and future generations.	. Maintenance of environmental balance and resources.

APPENDIX A

Survey Questionnaires

For information Contact:
Joanna Dale
The DPA Group Inc.
#130-601 West Cordova St.
Vancouver, B.C. V6B 1G1

Office Use Only
Questionnaire No.____
Region ____
Type ____
Class ____

CONFIDENTIAL
Sport Fishing Lodge/Camp Survey

A. Company Description

1.(a) Total number of years facility has operated _____ Year(s)

(b) Number of years of operation under present management _____ Year(s)

2. What is the land base for your operation?

1 _____ Deeded land
2 _____ Crown lease
3 _____ License of occupation (eg. Provincial Park)
4 _____ DIA lease
5 _____ Other (please describe)

_____

3. What percent of your business is dependent on sportsfishing in 1987? _____%

4. What is your operating season as far as visitors are concerned?

1 [ ] Year round or

2 [ ] Seasonal - Usual opening date _____

Usual closing date _____

B. Services and Facilities

5. What accomodation facilities does your resort provide?

Lodge (under one roof) _____ rooms _____ beds

Cabins (detached) _____ rooms _____ beds

Trailer/camping sites _____ sites

Boat accomodation _____ beds

6. Which of the following facilities are available on your resort? (check as many as apply)

_____ lounge
_____ restaurant/diningroom
_____ swimming pool
_____ hot tub/jacuzzi
_____ sauna
_____ airstrip
_____ boat rental
_____ marina
_____ full service hookups

_____ private baths
_____ shared baths
_____ tennis courts
_____ smokehouse
_____ laundromat
_____ boat launching ramp
_____ convenience store
_____ fishing tackle
_____ fishing license
_____ freezing fish
_____ others

7. Which of the following activities are available to your guests?

Summer

_____ lake fishing
_____ river fishing
_____ stream fishing
_____ ocean fishing
_____ canoeing/kayaking
_____ sailing/windsurfing
_____ scuba diving
_____ hiking
_____ wilderness/outpost excursions
_____ hunting
_____ golfing
_____ tennis
_____ trail riding
_____ swimming
_____ nature observation/photography
_____ fishing school
_____ others

Winter

_____ downhill skiing
_____ cross country skiing
_____ snowmobiling
_____ ice fishing

C. **Package Description**

8.(a) In 1987 were your fishing services offered as packages or as individual services or both? (check one)

_____ all services are packaged -- Go to 8(c)
_____ no services are packaged -- Go to 8(b)
_____ some services are packaged, some individual -- continue

(b) If you offer individual services, please list your 1987 prices in Canadian $ for:

accommodation _____/night per person
is accommodation based on double occupancy ____yes ____no
boats _____/hour
guides _____/hour
meals _____
others _____

(c) Please identify your 3 most popular overnight packages in 1987 and provide:

	Pkg. 1	Pkg.2	Pkg.3
price (Canadian $) per person	$_____	$_____	$_____
is it based on double occupancy	_____yes	_____yes	_____yes
number of nights	_____	_____	_____
Includes:	(check all that apply below)		
air transportation	_____	_____	_____
accommodation	_____	_____	_____
meals	_____	_____	_____
guides	_____	_____	_____
boats	_____	_____	_____
tackle	_____	_____	_____
boxing of fish	_____	_____	_____
land transportation	_____	_____	_____
liquor	_____	_____	_____
bait	_____	_____	_____
fishing license	_____	_____	_____
other	_____	_____	_____

9. Approximately what is your current occupancy rate in each month for the last year?

Jan	_____%	July	_____%
Feb	_____%	August	_____%
March	_____%	Sept	_____%
April	_____%	Oct	_____%
May	_____%	Nov	_____%
June	_____%	Dec	_____%

. Client Profile

10. (a) Where do your guests come from?

Local (within 100 km radius)	_____%
Other B.C.	_____%
Alberta	_____%
Other Canada	_____%
U.S. - Washington	_____%
- Oregon	_____%
- California	_____%
U.S. - Mid-States	_____%
U.S. - East Coast	_____%
Overseas - Europe _____	_____%
Overseas - Asia _____	_____%
Australia/New Zealand	_____%
Other _____	_____%
Total	100%

(b) How do they usually travel to your facility?

vehicle	_____%
air	_____%

11. What is the composition of their travel party?

Group type:	Families		_____%
	Couples		_____%
	Singles		_____%
	Groups		_____%
		Total	100%
Sex:	Male		_____%
	Female		_____%
		Total	100%

12. What are the age groups of your visitors?

Under 20	_____%
20 to 34	_____%
35 to 54	_____%
55 or over	_____%

13. (a) What proportion of your guests are repeat customers? _____%

(b) What proportion of your guests are prebooked prior to your season opening? _____%

E. Marketing Activities

14. Approximately how much did you spend on marketing and promotion in 1987? Please include related expenses such as travel.

    $ _____

15. Which of these do you use? (check as many as apply)

____ brochures	____ trade shows
____ posters	____ accommodation guide
____ magazine ads	____ travel radio shows
____ radio ads	____ consumer shows (eg. sportsman shows)
____ newspaper ads	____ film shows, slide shows
____ television ads	____ word of mouth
____ promotional trips	____ complementary trip for travel writers
____ other (please list)	____ direct mail

    _____

    _____

16. Which do you consider produces the best results? In the above list, please indicate the three you consider best.

    _____ _____ _____

17. Where did you direct your advertising in 1987?

Local (100 km radius)	_____%
Other B.C.	_____%
Alberta	_____%
Other Canada	_____%
U.S. - Washington	_____%
- Oregon	_____%
- California	_____%
U.S. - Mid-States	_____%
U.S. - East Coast	_____%
Overseas - Europe	_____%
Overseas - Asia	_____%
Australia/New Zealand	_____%
Other	_____%
Total	100%

18. Do you mail out to past guests?

    ____ yes ____ no

19. Do you participate in any collective marketing programs?

    ____ yes ____ no If yes, please indicate

    _____ other fishing operators
    _____ other operators
    _____ regional tourism associations
    _____ transportation carriers
    _____ other

20. What features do you emphasize in your marketing?

    _____

21. What proportion of your guests book and/or organize their visit through a:

travel agent	_____%
wholesaler	_____%
direct booking	_____%
	100%

F. The Resource Base and Concerns

22. Which species of fish are caught by your guests?

Ocean	Fresh Water
____ spring/chinook salmon	____ lake trout
____ coho salmon	____ steelhead
____ ling cod	____ rainbow trout
____ rock fish	____ kokanee
____ halibut	____ cutthroat
____ other	____ whitefish
	____ dolly varden

23. Over the past 5 years, has sport fishing activity within your area:

_____ remained the same -- Go to Question 24
_____ increased
_____ decreased
Why _____

24. What do you consider are the three most serious problems, if any, regarding the natural resources, land base or fish stocks, that affect the success of your business?

Most serious problem _____

Second most serious problem _____

Third most serious problem _____

G. Economic Information

The economic information requested below will be used to determine overall economic benefits generated by the sport fishing industry made up of the many operators throughout the province. PLEASE ESTIMATE REASONABLE VALUES IF PRECISE INFORMATION IS NOT AVAILABLE.

EMPLOYMENT IN 1987

25. How many employees in your B.C. operations did you have at the following times in 1987 (please include working owners and partners)?

	Number Full-time Employees	Number Part-time Employees	Total Number of Employees
Jan. 1, 1987	_____	_____	_____
Apr. 1, 1987	_____	_____	_____
Jul. 1, 1987	_____	_____	_____
Oct. 1, 1987	_____	_____	_____

1987 EXPENDITURES

26. What Capital Expenditures associated with providing sport fishing services/packages in B.C. did your company make in 1987:

Category	Total Capital Investment to date for the facility	1987 Capital Expenditures
Land	$_____	$_____
Land lease	$_____	$_____
Facility Construction	$_____	$_____
Equipment/Vehicles	$_____	$_____
Other (specify)	$_____	$_____
_____		
Total	$_____	$_____

27. What purchases/expenditures on Goods and Services associated with providing sport fishing services/packages in B.C. did your company make in 1987.

Category	Purchases	Share Purchases Made in B.C.
Wages & Salary Costs (inc. benefits & payments to working owners/partners)	$_____	_____%
Crown lease (if any)	$_____	_____%
Food	$_____	_____%
Liquor	$_____	_____%
Accommodation	$_____	_____%
Transportation (business vehicles)	$_____	_____%
Transportation (paid to carriers or air services)	$_____	_____%
Marketing/Promotion/Travel	$_____	_____%
Maintenance	$_____	_____%
Administration & Insurance (including property taxes)	$_____	_____%
Other	$_____	_____%
Total Purchases/Expenditures	$_____	_____%

1988 OPERATIONS

28. What were your 1987 GROSS REVENUES (Canadian $) associated with providing Sport fishing services/packages in B.C.?

$ _____ 1987 Sport Fishing services/packages
$ _____ 1987 Other revenues
$ _____ 1987 Total

29. What were your TOTAL GROSS REVENUES (Canadian $) from providing sport fishing services/packages in B.C. in:

$ _____ 1986
$ _____ 1985
$ _____ 1977 (i.e. 10 years ago)

30. Please provide the following information for your 1987 operations in B.C. on the number of OVERNIGHT CLIENTS AND DAY CLIENTS. (1 clients staying 3 nights = 3 clients-nights)

OVERNIGHT CLIENTS	1987 Operations in B.C.
- number of clients	_____
- number of client-nights	_____

H. THE FUTURE:

31. Do you think your business will grow in 1988?

Yes ____
No ____

32. What are the major constraints to your business growth?

_____
_____
_____

33. What assistance or changes would improve your business?

_____
_____
_____

DO YOU HAVE ANY ADDITIONAL COMMENTS.

_____
_____
_____
_____

YOUR CONTRIBUTION OF TIME, ENERGY AND INFORMATION TO THIS RESEARCH PROJECT IS GREATLY APPRECIATED. THANK YOU.

As we mentioned in the covering letter, we wish to survey 1987 guests. Could you give us a list of 10 guests (geographically represented) names and phone numbers. Please note we will supply you with the survey results for your guests.

Name	Phone No.
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

USER'S QUESTIONNAIRE: FISHING LODGE/CAMP

RESORT CODE: _____

Good_____, I'm calling on behalf of the Ministry of Tourism in British Columbia, Canada which is doing a study on the fishing lodges in this province and their potential for tourism. I understand from _____, that you stayed at their resort --- would you mind answering a few questions for us. It shouldn't take more than a few minutes. Thank you.

TRIP CHARACTERISTICS

1. **When did you visit** _____**Lodge?** _____ _____
   (month) **(year)**

2. **How many nights in total did you stay?** _____

3. **Was** _____**Lodge your only destination?**

   _____ **Yes** _____ **No**

   Where else did you visit? _____ **For how many nights?** _____

4. **What were your main methods of travel to get to the lodge?**

   _____ Automobile _____ Boat
   _____ Scheduled Air Flight _____ Bus
   _____ Chartered Air Flight

5a. **How many people were in your party on that trip?** _____

5b. **What type of travel party was it?**

   _____ Families _____ Couples
   _____ Groups _____ Singles
   _____ Corporate

6. **Was this the first time you had stayed at a fishing lodge?**

   _____ Yes (Go to 8) _____ No (Go to 7)

7a. **Over the past 3 years please identify the province/state and the number of visits where you have stayed at a fishing lodge.**

	Number of Visits	U.S. State	Number of Visits
Same Lodge	_____	_____	_____
Elsewhere in B.C.	_____	_____	_____
Alberta	_____	_____	_____
Yukon	_____	_____	_____
N.W.T.	_____	_____	_____
Saskatchewan	_____	_____	_____
Manitoba	_____	_____	_____
Ontario	_____	_____	_____

Other Countries	Number of Visits
_____	_____
_____	_____

7b. **In addition to visits to sportfishing lodges, do you go fishing at other times during the year?**

_____ Yes _____ No

Do you prefer (check one):

_____ Saltwater Fishing _____ Freshwater Fishing

_____ No Preference _____ None

8. **What recreational activities did you take part in while staying at _____ Lodge?**

SUMMER

_____ Lake Fishing
_____ River Fishing
_____ Stream Fishing
_____ Ocean Fishing
_____ Canoeing/Kayaking
_____ Sailing/Windsurfing
_____ Scuba Diving
_____ Hiking
_____ Wilderness/Outpost Excursions
_____ Hunting
_____ Golfing
_____ Tennis
_____ Trail Riding
_____ Swimming
_____ Nature Observation/Photography
_____ Fishing School
_____ Other

WINTER

_____ Downhill Skiing
_____ Cross Country Skiing
_____ Snowmobiling
_____ Ice Fishing

9. **On a scale of 1 to 4 how important are the following factors when you are selecting a sportfishing lodge?**

	Very Important	Somewhat Important	Not Very Important	Not at all Important	No View Point/ did not Consider
Lodge Related Factors					
Ease of travel time to lodge	1	2	3	4	_____
Remoteness	1	2	3	4	_____
Cost of lodge	1	2	3	4	_____
Accommodation Type:					
- First Class	1	2	3	4	_____
- Rustic	1	2	3	4	_____
- Other	1	2	3	4	_____
Service	1	2	3	4	_____
Availability of Non-Fishing Activities	1	2	3	4	_____
Resource Factors					
Natural/Scenic Beauty	1	2	3	4	_____
Number of Fish Caught	1	2	3	4	_____
Size of Fish Caught	1	2	3	4	_____
Other Factors Important to You?					
_____	1	2	3	4	_____
_____	1	2	3	4	_____
_____	1	2	3	4	_____

0. Indicate on a scale of 1 to 4 to what extent did _____ Lodge satisfy your expectations for each of these factors?

	Very Satisfied	Somewhat Satisfied	Not Very Satisfied	Not at all Satisfied	No View Point did not Consider
odge Related Factors					
ase of travel time to lodge	1	2	3	4	_____
emoteness	1	2	3	4	_____
ost of lodge	1	2	3	4	_____
ccommodation	1	2	3	4	_____
ervice	1	2	3	4	_____
vailability of Non-Fishing Activities	1	2	3	4	_____
esource Factors					
atural/Scenic Beauty	1	2	3	4	_____
mber of Fish Caught	1	2	3	4	_____
ze of Fish Caught	1	2	3	4	_____
ther Factors Important to you?					
_____	1	2	3	4	_____
_____	1	2	3	4	_____
_____	1	2	3	4	_____

. What was the highlight or most memorable feature of your stay at the lodge?

_____

_____

_____

_____

_____

. What might the lodge offer to make a stay more enjoyable?

_____

_____

_____

_____

13. **Of the sportfish species in British Columbia, which three do you prefer to fish for?**

_____ _____ _____

14. **How far in advance did you start planning the trip to the lodge?**

_____ Two Weeks Before
_____ 2 Weeks-2 Months Before
_____ 2-6 Months Before
_____ 6 Months to a Year Before
_____ Over a Year Before

15a. **How did you find out about the lodge?**

_____ Travel Agent
_____ Newspaper/Magazine
_____ Received Brochure in Mail
_____ Trade Show
_____ Word-of-Mouth
_____ Other (specify)

15b. **How did you make your lodge reservations? (check one)**

_____ Through Travel Agent
_____ Directly with lodge
_____ Did not make reservations in advance

16. **What other fishing lodge destinations did you consider when planning this trip?**

_____

_____

17. **Why did you select the resort that you went to?**

_____

_____

18. **Was the visit to the resort priced as an all-inclusive package or did you pay separately for the lodging, meals, transportation, etc.?**

_____ All-inclusive
_____ Separate Billings

19. **Which arrangements do you prefer?**

_____ All-inclusive
_____ Separate Billings

20. **How much did you spend in total on that trip?**

_____ U.S. $
_____ Cdn. $

. **Are you planning another stay at a fishing lodge in B.C.?**

_____ Yes (Go to 22) _____ No (Go to 23)

. **When do you think that will be?**

_____ Within 1988
_____ Next Year
_____ Within the Next 3 Years
_____ Within the Next 5 Years
_____ Later Than Five Years From Now

Will you go back to the same lodge?

_____ Yes _____ No

FINALLY, JUST A FEW QUESTIONS ABOUT YOURSELF

Age: _____

Single: M _____ F _____ **Marital Status** _____

Couple: M _____ F _____

Children: M _____ F _____ M _____ F _____

Could you tell me which category your family income falls into? (check one)

Under $20,000	_____ U.S. $	_____ Cdn. $
$20,000 to $30,000	_____ U.S. $	_____ Cdn. $
$31,000 to $40,000	_____ U.S. $	_____ Cdn. $
$41,000 to $50,000	_____ U.S. $	_____ Cdn. $
Greater than $50,000	_____ U.S. $	_____ Cdn. $

CORPORATE QUESTIONNAIRE: FISHING LODGE/CAMP

Good_____, I'm calling on behalf of the Ministry of Tourism in British Columbia, Canada which is doing a study on the fishing lodges in this province with their potential for tourism. I understand that your company is interested in fishing holidays for your staff and/or clients --- would you mind answering a few questions for us. It shouldn't take more than a few minutes. Thank you.

---

1. **Approximately how many fishing trips a year does your company organize?** _____

   Are they Saltwater? _____ **Freshwater** _____

   Are they only to B.C. properties?

   _____ Yes _____ No, what other destinations?

   _____ _____ _____

   Do you offer these trips as an incentive program?

   _____ Yes _____ No

   What are the age groups of your guests?

   _____ Under 20 _____ 35-54

   _____ 20-34 _____ 55 or over

   Are they male _____ **or female** _____ **(% breakdown?)**

   Are they employees _____ **or clients** _____

2. **What type of facilities are you looking for when purchasing a fishing trip for your company?**

   _____

   _____

   _____

   Other activities offered

   _____

   _____

   _____

On a scale of 1 to 4 how important are the following factors when you are selecting a sportfishing lodge?

	Very Important	Somewhat Important	Not Very Important	Not at all Important	No View Point/ did not Consider
e Related Factors					
of travel time to dge	1	2	3	4	_____
teness	1	2	3	4	_____
of lodge	1	2	3	4	_____
mmodation Type:					
First Class	1	2	3	4	_____
Rustic	1	2	3	4	_____
Other	1	2	3	4	_____
ice	1	2	3	4	_____
ability of Non-Fishing ivities	1	2	3	4	_____
rce Factors					
al/Scenic Beauty	1	2	3	4	_____
r of Fish Caught	1	2	3	4	_____
of Fish Caught	1	2	3	4	_____
Factors Important You?					
_____	1	2	3	4	_____
_____	1	2	3	4	_____
_____	1	2	3	4	_____

4. **Indicate on a scale of 1 to 4 to what extent do B.C. fishing lodges satisfy your expectations for each of these factors?**

	Very Satisfied	Somewhat Satisfied	Not Very Satisfied	Not at all Satisfied	No View Point did not Consider
Lodge Related Factors					
Ease of travel time to lodge	1	2	3	4	_____
Remoteness	1	2	3	4	_____
Cost of lodge	1	2	3	4	_____
Accommodation	1	2	3	4	_____
Service	1	2	3	4	_____
Availability of Non-Fishing Activities	1	2	3	4	_____
Resource Factors					
Natural/Scenic Beauty	1	2	3	4	_____
Number of Fish Caught	1	2	3	4	_____
Size of Fish Caught	1	2	3	4	_____
Other Factors Important to you?					
_____	1	2	3	4	_____
_____	1	2	3	4	_____
_____	1	2	3	4	_____

5. **What might B.C. fishing lodges offer to make a stay more enjoyable?**

_____

_____

_____

_____

6. **How far in advance did you start planning a trip to the lodge?**

_____ Two Weeks Before

_____ 2 Weeks-2 Months Before

_____ 2-6 Months Before

_____ 6 Months to a Year Before

_____ Over a Year Before

ow do you find out about the B.C. fishing lodges?

_____ Travel Agent
_____ Newspaper/Magazines
_____ Received Brochure in Mail
_____ Trade Show
_____ Word-of-Mouth
_____ Other (specify)

ow do you make your lodge reservations? (check one)

_____ Through Travel Agent
_____ Directly with Lodge
_____ Did not make Reservations in Advance

hich pricing arrangements do you prefer?

_____ All-inclusive
_____ Separate Billings

re you planning future trips to fishing lodges in B.C.?

_____ Yes (Go to 22)
_____ No (Go to 23)

hen do you think that will be?

_____ Within 1988
_____ Within the Next 3 Years
_____ Later Than Five Years From Now
_____ Next Year
_____ Within the Next 5 Years

ill you go back to the same lodge?

_____ Yes
_____ No

s there anything that the B.C. Ministry of Tourism can do in helping you lan your fishing trips?

_____

_____

_____

_____

_____

O TO BACK FOR COMMENTS

TRAVEL INFLUENCERS SURVEY: FISHING LODGE STUDY

NAME: _____

COMPANY: _____

MacLaren Plansearch has been retained by the British Columbia Ministry of Tourism to identify marketing iniatives for the province's sportfishing lodge/camp industry. We would be most grateful if you could assist us by answering a few questions on this subject, or by directing us to someone in your office who could help.

1a. Do you sell packages to fishing lodges?

Yes _____ (go to 1b) No _____

Why not _____

_____

_____

_____

1b. Please list the province/state where your fishing product is located.

_____

_____

_____

_____

If British Columbia, please indicate the names of the properties.

_____

_____

_____

2. What kinds of fishing packages are you selling?

Length

Facilities

Activities

Costs

Carriers

3. What volume of fishing business (number of clients) do you do on an annual basis?

4. To which markets in terms of demographics and location do you sell your fishing product?

5. What are your clients looking for in a fishing lodge experience?

6. What do you consider to be B.C.'s main competition in the fishing lodge industry?

7a. What are British columbia's strengths and weaknesses with respect to fishing lodges?

7b. What might B.C. do to improve its performance?

8. What marketing techniques do you consider to be the most effective in reaching the sportfishing market? (advertising in specialty magazines - which ones?), direct mail, trade and consumer shows - which ones?)

_____

_____

_____

_____

9. Is the sportfishing aspect of your business growing? If yes, at what rate?

_____

_____

_____

_____

Thank you for your assistance.